

DECLARATION OF CONDOMINIUM

MAR 9 1984

OF

SUMMER HOUSE, on Romar Beach, a Condominium

and that no tax was collected. Recorded in
Book 48
Page 1518
D.P. 100 Index \$ By 1309
Judge of Probate

THIS DECLARATION, made this the 9th day of MARCH, 1984, by WHITE CAPS CORPORATION, an Alabama corporation, herein called the DEVELOPER, for itself, its successors, grantees and assigns.

WHEREIN, the DEVELOPER makes the following declaration.

WHEREAS, WHITE CAPS CORPORATION, an Alabama corporation, is the fee simple owner of those certain parcels of real property situated in the Romar Beach area, County of Baldwin, State of Alabama, and intends to improve the same in the manner herein described, which said parcels of land are more particularly described as follows, to wit:

PARCEL 1:

Commence at the Northwest corner of Section 17, Township 9 South, Range 5 East, run thence South 00 degrees 15 minutes 00 seconds West for 611.72 feet to a point on the South right of way of Alabama Highway Number 182; run thence South 76 degrees 00 minutes 00 seconds West, along said right of way for 7.6 feet to the POINT OF BEGINNING; run thence North 76 degrees 00 minutes 00 seconds East along said South right of way of Alabama Highway Number 182 for 200 feet; run thence South 00 degrees 15 minutes 00 seconds West for 606 feet, more or less to the North margin of the Gulf of Mexico; run thence in a Southwesterly direction meandering along said margin of the Gulf of Mexico to a point that is South 00 degrees 15 minutes 00 seconds West and 629.00 feet, more or less, from the POINT OF BEGINNING; run thence North 00 degrees 15 minutes 00 seconds East for 629.00 feet, more or less, to the POINT OF BEGINNING, and being according to a survey of said property by Noel Ed Hand on November 8, 1983. Said land being in Section 17 and 18, Township 9 South, Range 5 East, Baldwin County, Alabama.

PARCEL 2:

Commence at the Northwest corner of Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama, run thence South 00 degrees 09 minutes 30 seconds West for 187.86 feet, to a point; run thence North 76 degrees 00 minutes 00 seconds East and parallel with the Alabama Highway Number 182 a distance of 32.01 to the POINT OF BEGINNING; run thence South 00 degrees 10 minutes 19 seconds West for 300 feet to a point on the North right of way of Alabama Highway Number 182; run thence South 76 degrees 00 minutes 00 seconds West along the North right of way of Alabama Highway Number 182 for 155.56 feet; run thence North 00 degrees 10 minutes 19 seconds East for 300 feet; run thence North 76 degrees 00 minutes 00 seconds East for 155.56 feet to the POINT OF BEGINNING. Said property being in Section 17 and 18, Township 9 South, Range 5 East, Baldwin County, Alabama.

WHEREAS, the DEVELOPER intends to improve the property described above by constructing thereon eighty-four (84) units contained in one building, parking areas, swimming pools, health club, model unit, manager's office, recreation building, and tennis courts, said buildings and other improvements to be constructed substantially in accordance with the plans attached hereto and to be located substantially as shown on the site plan attached hereto as Exhibit "A" (and made a part hereof) consisting of Pages 1550 through 1563; and

WHEREAS, said lands and improvements are to be legally created as a condominium property by and through this enabling Declaration and under and by authority of the ALABAMA CONDOMINIUM OWNERSHIP ACT (Section 35-8-1, et seq., Code of Alabama, 1975); and

WHEREAS, the DEVELOPER may improve the property described in Exhibit "C" attached hereto (and made a part hereof) by constructing thereon additional condominium units and common elements, including parking areas and swimming pools, which said lands and improvements may be submitted to the condominium form of ownership and use by amendment to this Declaration in not less than one (1) nor more than five (5) additional phases; and

WHEREAS, it is the intent of the DEVELOPER that the condominium, which said property is described above, shall be operated and administered as condominium property; and

WHEREAS, it is the intent of the DEVELOPER that should all or a portion of the property described on Exhibit "C" be submitted to the terms of this Declaration by amendment hereto, that it should be administered as condominium property; and

WHEREAS, the DEVELOPER proposes to establish by this Declaration a plan: (a) for the individual ownership of certain areas or spaces and certain personal property, which areas or spaces and personal property are hereinafter defined and referred to as the "private elements," and (b) for the co-ownership by the owners of the private elements, as owners in common, all of the remaining real and personal property, which is hereinafter defined and referred to as the "common elements."

NOW, THEREFORE, WHITE CAPS CORPORATION, an Alabama corporation, the DEVELOPER, hereby makes the following declaration as to the division and uses of the property described above and improvements to be constructed thereon (and, in the event that any or all of the property described in Exhibit "C" is submitted to the condominium form of ownership and use by amendment to this Declaration, said property and improvements constructed thereon) hereby specifying that this Declaration shall constitute a covenant running with the land and shall be binding upon WHITE CAPS CORPORATION, an Alabama corporation, DEVELOPER, its successors and assigns, and upon all subsequent owners of all or any part of said real property and improvements, together with their grantees, lessees, successors, heirs, executors, administrators, devisees or assigns:

1. Purpose. The purpose of this Declaration is to submit the lands hereinafter described and the improvements to be constructed thereon to the condominium form of ownership and use in the manner provided by the CONDOMINIUM OWNERSHIP ACT, Act No. 1059, 1973 Regular Sessions, Alabama Legislature (Section 35-8-1, et seq., Code of Alabama, 1975); and to make provisions for the future submission, by amendment to this Declaration, of the property described on

Exhibit "C," in whole or in part, and any improvements thereon constructed, to the condominium form of ownership and use in the manner provided for by said CONDOMINIUM OWNERSHIP ACT in the event that the DEVELOPER determines to so submit said property.

2. Name. The name by which this condominium is identified is SUMMER HOUSE, on Romar Beach, a condominium.

3. The Land.

3.1. The lands owned by the DEVELOPER which are herewith submitted to the condominium form of ownership are the following described lands, lying and being in the Romar Beach area, in Baldwin County, State of Alabama, to wit:

PARCEL 1:

Commence at the Northwest corner of Section 17, Township 9 South, Range 5 East, run thence South 00 degrees 15 minutes 00 seconds West for 611.72 feet to a point on the South right of way of Alabama Highway Number 182; run thence South 76 degrees 00 minutes 00 seconds West along said right of way for 7.6 feet to the POINT OF BEGINNING; run thence North 76 degrees 00 minutes 00 seconds East along said South right of way of Alabama Highway Number 182 for 200 feet; run thence South 00 degrees 15 minutes 00 seconds West for 606 feet, more or less, to the North margin of the Gulf of Mexico; run thence in a Southwesterly direction meandering along said margin of the Gulf of Mexico to a point that is South 00 degrees 15 minutes 00 seconds West and 629.00 feet, more or less, from the POINT OF BEGINNING; run thence North 00 degrees 15 minutes 00 seconds East for 629.00 feet, more or less, to the POINT OF BEGINNING; and being according to a survey of said property by Noel Ed Hand on November 8, 1983. Said land being in Section 17 and 18, Township 9 South, Range 5 East, Baldwin County, Alabama.

PARCEL 2:

Commence at the Northwest corner of Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama, run thence South 00 degrees 09 minutes 30 seconds West for 187.86 feet to a point; run thence North 76 degrees 00 minutes 00 seconds East, and parallel with Alabama Highway Number 182 a distance of 32.01 feet to the POINT OF BEGINNING; run thence South 00 degrees 10 minutes 19 seconds West for 300 feet to a point on the North right of way of Alabama Highway Number 182; run thence South 76 degrees 00 minutes 00 seconds West along the North right of way of Alabama Highway Number 182 for 155.56 feet; run thence North 00 degrees 10 minutes 19 seconds East for 300 feet; run thence North 76 degrees 00 minutes 00 seconds East for 155.56 feet to the POINT OF BEGINNING. Said property being in Section 17 and 18, Township 9 South, Range 5 East, Baldwin County, Alabama.

3.2. The real property which may in the future be submitted, in whole or in part, to the condominium form of ownership by amendment to this Declaration is the parcel of real property lying and being in Baldwin County, Alabama, described in Exhibit "C" attached hereto.

4. The Name and Address of the Person to Receive Service of Process for the condominium shall be T. E. MITCHELL, Post Office Box 397, Bay Minette, Alabama 36507.

5. Definitions. The terms used herein and in the By-laws shall have the meanings stated in the CONDOMINIUM OWNERSHIP ACT OF ALABAMA, and as follows:

(a) "Unit" means a townhouse or apartment, and includes the private elements thereof, together with the undivided interests in the common elements which are assigned thereto.

(b) "Unit Owner" means the owners of a townhouse or apartment, whether singly or jointly, partnership, corporation, or other legal entity or the successors, heirs, administrators, executors or assigns, or the heirs or assigns of the survivor, as the case may be.

(c) "ASSOCIATION" means SUMMER HOUSE, on Romar Beach, ASSOCIATION, INC., and its successors, and is the ASSOCIATION of Unit Owners referred to in said Act.

(d) "Common Elements" means common areas and facilities, including but not limited to all parts of the condominium property not included within the unit boundaries as described in Paragraph 7 hereinafter, and shall include the utility spaces and the tangible personal property required for the maintenance and the operation of the condominium as well as the items stated in the CONDOMINIUM OWNERSHIP ACT OF ALABAMA.

(e) "Common Expenses" means and includes the actual and estimated expenses pertaining to the property, and any reasonable reserve for such purposes as may be found and determined necessary or useful by the Board of Directors, and all sums designated as common expenses by or pursuant to the condominium documents.

(f) "Utility Services" shall include but not be limited to electrical power, water, garbage and sewage disposal.

(g) "Substantial Destruction, Deterioration or Obsolescence" shall mean such destruction or deterioration or obsolescence that the condominium has lost its character as a residential development, and restoration thereof would be the practical equivalent of a newly constructed development.

(h) "Development" comprehends the land, and all buildings, improvements and property which are a part of the condominium.

(i) "Common Interest" means the proportionate undivided interest in the fee simple absolute in the common elements appurtenant to each unit as expressed in this Declaration,

(j) "Common Surplus" means the excess of all receipts of the ASSOCIATION, including but not limited to assessments, rents, profits and

revenues on account of the common elements, over the amount of common expenses.

(k) "Operation of the Property" means and includes the administration of the project, the operation, maintenance, repair or replacement of, and the making of any additions or improvements in, the common elements.

(l) "Person" means a natural person, a corporation, a partnership, the ASSOCIATION herein referred to, a trustee, or other legal entity.

(m) "Unit Designation" means the number, letter or combination thereof or other official designations as shown on the plans annexed to this Declaration.

(n) "Declaration" means this declaration and all amendments thereto hereafter made.

(o) "Surfacing Materials" means the materials, including but not limited to mats, carpeting, sheetrock, decking, boards, panels and the like which are laid upon or attached to foundation slabs, and/or to the studs and structural components of walls, and/or to the under surfaces of ceiling rafters, and/or to the upper surfaces of floor slabs.

6. Phasing.

6.1. The property described on Exhibit "C," which the DEVELOPER may submit to the condominium form of ownership and use at a future date or dates as subsequent phases of SUMMER HOUSE, on Romar Beach, a condominium, is not hereby submitted to condominium ownership or use. However, subject to and in accordance with the following terms and provisions, said property, or a portion or portions thereof, may be submitted to the condominium form of ownership and use by amendment hereto.

6.1(A) If Phase II is developed it shall not be less than sixty (60) units nor more than one hundred eight (108) units, and each unit shall be constructed of at least the same quality materials as units located in Phase I of SUMMER HOUSE, on Romar Beach, a condominium.

6.1(B) Any Phase which is submitted to the terms of this Declaration shall contain common elements consistent in nature with and complementary to those existing in Phase I (and in any other phase which may have heretofore been developed and submitted to this Declaration), and as are reflected on the site plan attached hereto as Exhibit "A."

6.1(C) Any such additional phase may, from time to time, be added to and made subject to this Declaration by the execution, by the DEVELOPER alone, of an amendment to this Declaration, which said amendment shall be recorded in the Probate Court of Baldwin County, Alabama. Such amendment shall have attached to it exhibits similar to those attached to this Declaration, describing the property so submitted to the Declaration and containing such other information concerning said property and the improvements constructed, or to be constructed, thereon as is required by law.

6.1(D) The right of the DEVELOPER to add additional phases to SUMMER HOUSE, on Romar Beach, a condominium, as herein provided shall cease and terminate as of December 31, 1990, and only those phases which shall have been submitted to this Declaration prior to said date shall be deemed to have been validly submitted to this Declaration.

6.1(E) Once a phase has been submitted to the terms and provisions of this Declaration, it shall comprise a portion of SUMMER HOUSE, on Romar Beach, a condominium, to be governed by and subject to all of the provisions of the Condominium Documents to the extent that said documents are not inconsistent with the provisions of the amendment adding such phase to this Declaration.

6.2. Any person or entity who shall acquire any unit in SUMMER HOUSE, on Romar Beach, a condominium, or any interest in or lien upon any such unit, regardless of whether said unit shall be located in Phase I or II, or any subsequent phases, agrees to be bound by the terms and provisions of Paragraph 6.1 above, and that any amendment to this Declaration executed by the DEVELOPER alone pursuant to said Paragraph 6.1 shall be binding and effective as written notwithstanding the fact that the undivided interest of the unit owners in the common elements will be changed thereby. Further, there is hereby reserved unto the ASSOCIATION and the Declarant, an irrevocable power of attorney, coupled with an interest, for the purpose of reallocating the percentage interest appurtenant to each of the condominium units in the condominium in accordance with the provisions of this Declaration and to execute, acknowledge, and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this paragraph.

Each owner and each mortgagee of a condominium unit in the condominium shall be deemed to have acquiesced in the amendments to this Declaration for the purpose of adding additional condominium units and common elements to the condominium in the manner set forth in this paragraph, and shall be deemed to have granted unto the said ASSOCIATION and the Declarant, an irrevocable power of attorney coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments; and each such unit owner and mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may be required by the Declarant, its successors or assigns, to properly accomplish such amendments.

6.3. Anything herein to the contrary notwithstanding, DEVELOPER does not hereby commit itself to submit the property described in Exhibit "C" in whole or in part, to the condominium form of ownership and use under the terms of Declaration under the terms of Paragraph 6.1 above, DEVELOPER shall have the right, but not the obligation, to develop any portion of said property in any manner and to any extent the DEVELOPER sees fit, or to decline to develop said property entirely.

PARAGRAPHS 7.1 THROUGH 7.5(m) APPLY ONLY TO PHASE I.

7. Development Plan.

7.1. The buildings and units in Phase I have been, or will be as the case may be, constructed by the DEVELOPER substantially in accordance with the plans, specifications and site plan attached hereto as Exhibit "A," which plans include a representative floor plan of the units and shows the unit numbers, location of the unit within the building

NO. 98 of 1997

and the dimensions of the private and common elements comprising the units. All of the improvements have been, or will be as the case may be, constructed by the DEVELOPER on the property substantially as shown on Exhibit "A" hereto which shows the location of said improvements on the property. A complete set of plans and specifications are available for inspection at the DEVELOPER'S office.

7.2. This Declaration may be amended by filing of such additional plans as may be required to sufficiently identify and describe the improvements on the property and in order to show completion of improvements. Such identification, description and completion may be shown by a verified statement of a registered architect or licensed professional engineer certifying that the completed improvements have been constructed substantially as herein represented or, if not, so constructed, then designating the changes made and certifying that the plans being filed simultaneously with such verified statement depict the location and unit numbers of the units and dimensions of the private and common elements comprising the units as built. Such plans or verified statement, or both, when signed and acknowledged by such registered architect or licensed professional engineer, shall constitute an amendment to this Declaration without approval of the ASSOCIATION, unit owners, lessees, or mortgagees of units of the condominium, whether or not elsewhere required for an amendment; provided, however, that except as provided in Paragraph 6 hereof, no such amendment shall increase or decrease the number of units without the prior written consent of all unit owners and holders of record of any liens thereon, nor alter the percentage of undivided interest of any unit owners or change any unit without the prior written consent of the owner and holders of record of any liens of any such unit.

7.3. Easements are reserved throughout the condominium property as may be required for utility services in order to adequately serve the units and the common elements; provided, however, such easements to a unit shall be only in accordance with the plans and specifications for the building as shown on the exhibits hereto or as constructed, unless approved in writing by the unit owner. Each owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other units and located in such unit. The ASSOCIATION shall have a right of access to each unit to inspect the same, to remove violations therefrom, and to maintain, repair and replace the common elements contained therein or elsewhere in the building. A perpetual easement for drainage and ingress and egress provided for the residents as reflected on the plans attached hereto depicting the condominium proper and location of the units thereon.

7.4. The buildings comprising Phase I will be constructed of concrete piling driven below grade, reinforced concrete foundations, post-tension concrete floor and roof slabs, and frame. Exterior walls will be painted stucco on structural metal studs, sheathing, and lath. Windows and sliding glass doors will be double glazed with aluminum frames. The roof will be standard built-up roofing with insulation over the concrete roof slab. Interior finishes will be as follows: ceilings will be sprayed acoustical on concrete, walls will be painted sheetrock on metal studs, floors will be carpet, vinyl and ceramic tile.

Each unit will be equipped with a range and oven unit, refrigerator and garbage disposal, dishwasher, ice maker, washer and dryer. Each unit is supplied with water, sewer, electricity and with separate heating, air conditioning and water heater equipment.

7.5. The common elements of Phase I of the condominium will include all parts of the condominium property not located within the perimeter boundaries of the apartment units, as hereinafter described, with the exception of the model unit which is not to be considered a common element until conveyed by the DEVELOPER to the ASSOCIATION, being the facilities located substantially as shown upon the plans attached hereto, and including but not limited to the following:

(a) The land described in Paragraph 3.1.

(b) All central and appurtenant installations for services such as power, light, telephone, storm drains, sewer, and water; TV cables; heat and air conditioning, including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in units; and all utility and mechanical equipment, buildings and spaces, which are not used or reserved for the exclusive use of certain units.

(c) Automobile parking spaces, whether or not assigned to the exclusive use of any unit.

(d) All outdoor and exterior lights, excepting such as are placed on the balcony assigned to the exclusive use of a unit.

(e) Balconies and decking.

(f) All attics, foundations, columns, girders, beams, and supports of buildings, and such component parts of walls, roofs, floors and ceilings as are not located within the units.

(g) Lawn areas, landscaping, trees, curbs and walkways.

(h) Recreation areas and facilities, including but not limited to the swimming pools, sun decks, health club, recreation building, tennis courts and manager's office.

(i) Exterior steps, ramps, handrails, stairs and sidewalks.

(j) All tanks, pumps, pump houses, wells, motors, fans, compressors and control equipment, fire fighting equipment, and garbage equipment, elevator and equipment, which are not reserved for the use of certain units.

(k) All retaining walls, seawalls, bulkheads and jetties, and all areas for refuse collection or disposal.

(l) All other parts of the development existing for the common use or necessary to the existence safety of the development.

(m) All other items listed as such in the CONDOMINIUM OWNERSHIP ACT OF ALABAMA, Act No. 1059, 1973 Regular Session, Alabama Legislature (Section 35-8-1, et seq., Code of Alabama, 1975), and located on the property.

7.6. The description and location of the particular units and the private elements which comprise the units are determined with the aid of the plans and specifications as follows:

PARAGRAPHS 7.6(A) THROUGH 7.9. APPLY TO ALL PHASES.

7.6(A) Each unit consists of that part of the building containing the unit which lies within the boundaries of the unit, exclusive of interior load-bearing walls and pillars and any pipes, wires, conduits, ducts, vents and other servicing utility lines which are utilized for or serve more than one condominium unit. The vertical boundaries of each unit shall be the plane of the inside surfaces of the studs which are the component parts of exterior walls and of interior walls separating a unit from another unit, and as are shown on the drawings. Where the unit is bounded by an exterior wall, the wall shall be considered to include any door, window or other closure therein in the closed position, and the boundary shall be the plane of the inside surfaces of the studs which are the component parts of such walls to the effect that the private elements of the boundary walls shall include the surfacing materials. The upper horizontal boundary of each unit shall be the plane of the under surfaces of the ceiling slab. The lower horizontal boundary of floors of the units shall be the upper surface of the floor slab.

7.6(B) An owner shall not be deemed to own the studs and structural components of the perimeter walls and/or of the load-bearing walls which are utilized for or serve more than one condominium unit, nor the windows or doors bounding the units, nor balconies, nor balcony railings enclosing a balcony area assigned to exclusive use of the unit. An owner, however, shall be deemed to own and shall have the exclusive right and duty to repair, maintain, replace, paint, repaint, tile, wax, paper, or otherwise finish and decorate the surfacing materials of the interior of exterior walls and on the interior walls separating a unit from other units, and the surfacing materials on the floors of his unit, and all appurtenant installations, including all pipes, ducts, wires, cables and conduits used in connection therewith for services such as power, light, telephone, sewer, water, heat and air conditioning, and television, whether located in the boundaries of the unit or in the common areas, which are for the exclusive use of the unit; and all ceilings and partition walls. An owner shall have the exclusive right and duty to wash and keep clean the interior and exterior surfaces of windows and doors bounding his unit.

7.6(C) The private elements of each unit shall consist of the following:

- (a) The air space and the area of the buildings lying within the unit boundaries;
- (b) The surfacing materials on the interior of exterior walls and on interior walls separating one unit from another.
- (c) The structural components and surfacing materials of all interior walls located within

the boundaries of the unit;

(d) The structural components and surfacing materials of the floors and ceilings of the unit;

(e) All bathtubs, toilets and sinks, the range, garbage disposal, dishwasher, water heater, air conditioning and heating unit, refrigerator, and like fixtures and all hardware and interior and exterior lighting fixtures; and

(f) All windows, doors, window screens, and all other interior trim and finishing materials, excluding the windows and doors bounding the units as referenced in Paragraph 7.6(B) hereinabove.

7.6(D) The DEVELOPER reserves the right to change the interior design and arrangement of all units owned by the DEVELOPER. The DEVELOPER reserves the right to substitute substantially equivalent materials and/or equipment in any type unit. The DEVELOPER further reserves the right to alter the boundaries between units, and any such alterations shall be reflected by an amendment to this Declaration which may be executed by the DEVELOPER alone. However, no such alteration of boundaries shall increase or decrease the number of units nor alter the percentage or percentages of undivided interest of any such unit or units so altered without compliance with Section 19 of this Declaration.

7.6(E) The DEVELOPER reserves the right to own the model unit as reflected on the plans attached hereto as Exhibit "A" and the property on which it is located as described in Exhibit "E" as a private element until such time as the DEVELOPER shall have sold all the units of the condominium or until January 31, 1990 or until the DEVELOPER elects to terminate his control of the model unit whichever shall first occur, and anything hereinafter to the contrary notwithstanding, the DEVELOPER shall have the right at that time to convey the model unit to the ASSOCIATION, and the ASSOCIATION, shall be obligated to purchase the same, at which time the model unit shall become a common element of Phase I and any subsequent phases of the condominium development.

7.7. There are no limited common elements.

7.8. A schedule setting forth the percentage of undivided interest of each unit in the common areas is attached hereto, marked Exhibit "B," and by reference made a part hereof, to determine the percentage of ownership in the common elements, percentage of common expenses, and percentage of common surplus, and voting on all matters requiring action by the owners. The common expenses shall be charged to the unit owners according to the percentages of the undivided interests of the respective units in the common elements. The common surplus shall be a trust fund for the unit owners and shall be either distributed among the unit owners according to the respective percentages of the undivided interest of the respective units in the common elements or applied against the following year's assessment, unless otherwise determined by the Board of Directors of the ASSOCIATION which shall not, in any event, use such surplus or any part thereof in any way other than to furnish services, insurance, goods or other items of value to the unit owners.

EXHIBIT 48-1577

7.9. A valid exclusive easement is hereby declared and established for the benefit of each unit and its owner consisting of the exclusive right to use and occupy the balcony serving the unit.

8. Encroachments. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same so long as such building stands shall exist. In the event any building, any unit, any adjoining unit, or any adjoining common element, shall be partially or totally destroyed as a result of fire, or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such building shall stand.

9. Rights and Duties of Owners, Tenants and Occupants of Units.

9.1. All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of the Act, this Declaration, the Bylaws, and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into of occupancy of any unit shall constitute an agreement that the provisions of the Act, this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, and occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof. In the event of a conflict in any of the provisions of any of such documents, the documents shall govern or control in the following order of preference: (1) the Act, (2) the Declaration, (3) the Articles of Incorporation of the Association, (4) the Bylaws of the Association, and (5) the Rules and Regulations of the Association.

9.2. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner shall be entitled to an undivided interest in the common elements in the percentages as set forth in Exhibit "B" to this Declaration. The percentage of the undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each owner may use the common elements in accordance with the purposes for which the same are intended, without hindering or encroaching upon the lawful rights of the other owners.

9.3. Failure of any owner to comply strictly with the provisions of this Declaration, the Bylaws, and the Rules and Regulations, shall be grounds for an action to recover sums due, or damages, or injunctive relief or any or all of them. Such actions may be maintained by the

REC-48-1883

ASSOCIATION on its own behalf or on behalf of the unit owners aggrieved. In any case of flagrant or repeated violation by a unit owner, he may be required by the ASSOCIATION to give sufficient surety or sureties for his future compliance with the provisions of this Declaration, the Bylaws, and the Rules and Regulations. Nothing herein contained shall prevent, in a proper case, any independent action by an aggrieved unit owner for such relief.

10. Maintenance. The responsibility for the maintenance of the condominium property shall be as follows:

10.1. The responsibility of the ASSOCIATION shall be as follows:

(a) To maintain, repair and replace all portions of a unit, except interior surfaces and surfacing materials, contributing to the support of the building, which portions shall include but not be limited to the outside walls of the building and all fixtures thereon, and boundary walls of units, floors, load-bearing columns and load-bearing walls.

(b) To maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishings of utility services which are contained in the portions of and maintained by the ASSOCIATION, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

(c) To maintain and replace all balconies and balcony railings.

(d) To repair all incidental damages caused to a unit in the performance of any of the foregoing work.

10.2. The responsibility of the unit owner shall be as follows:

(a) To maintain, repair, and replace all portions of his unit except the portions to be maintained, repaired and replaced by the ASSOCIATION. Such shall be done without disturbing the rights of other unit owners.

(b) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building and/or the exterior of the balconies assigned to the exclusive use of the unit owner, and/or the exterior of the balcony railings surrounding the balcony area assigned to the exclusive use of the unit owner.

(c) To maintain the surfacing materials within the unit.

(d) To maintain, repair and replace all heating, air conditioning, utility and mechanical equipment, and all sewer and water lines, including all pipes, ducts, wires, cables and conduits used in connection therewith, which are for the exclusive use of his unit, whether or not located within the boundaries of his unit.

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(e) To maintain, repair and replace the interior appurtenances of his unit, including but not limited to the floor coverings, wall coverings, window shades and screens, draperies, furnishings, light fixtures, and all appliances located therein.

(f) To promptly report in writing to the ASSOCIATION any defect or need for repairs, the responsibility for the remedying of which is that of the ASSOCIATION.

(g) To be responsible for the cost of all incidental damage caused to the common elements in the performance of the foregoing work.

10.3. Neither a unit owner nor the ASSOCIATION shall make any alterations in the portions of a unit or building which are to be maintained by the ASSOCIATION, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining approval in writing of the owners of all other units in the building concerned and the approval of the Board of Directors.

10.4. The maintenance and operation of the common elements shall be the responsibility and the expense of the ASSOCIATION.

10.4(A) After the completion of the improvements included in the common elements which are contemplated by this Declaration, there shall be no further additions to common elements (except by incremental development as elsewhere herein provided and except for the conveyance of the model unit by the DEVELOPER to the ASSOCIATION as hereinabove set forth) without prior approval in writing of seventy-five (75) percent of the votes of unit owners, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens on the units so approving, provided, however, that any alteration or improvement of common elements which constitute or are contained in the boundaries of units bearing the approval in writing of unit owners entitled to cast fifty-one (51) percent of the votes in the ASSOCIATION, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens of the units of such approving unit owners, and which does not prejudice the rights of any owners not consenting, may be done if the owners who do not approve are relieved from the initial cost thereof. There shall be no change in the share and rights and obligations of a unit owner in the common elements which are altered or further improved, whether or not the unit owner contributes to the initial cost thereof. Any such alteration or additions shall be done in accordance with complete plans and specifications therefor first approved in writing by the Board; and promptly upon completion of such additions building or structural alteration or addition to any structure, the ASSOCIATION shall duly record or file of record in the Office of the Judge of Probate of Baldwin County, Alabama, such amendment together with a complete set of plans of the condominium as so altered, certified "as built" by a licensed or registered engineer or architect.

11. Assessments. The making and collection of assessments against unit owners for common expenses and other charges shall be pursuant to the Bylaws and subject to the following provisions:

11.1. As set forth in Paragraph 7.8. above, each unit owner shall be liable for a proportionate share of the common expenses and other charges, and shall share in the common surplus, such share being the same as his percentage of ownership in the common elements.

11.2. Assessments and installments thereon, paid on or before ten (10) days after the date when due shall not bear interest, but to all sums not paid on or before ten (10) days after the date when due shall be added a FIFTEEN DOLLAR (\$15) penalty and interest at twelve (12) percent per annum shall be charged from thirty (30) days after date due until paid.

11.3. The ASSOCIATION is hereby granted a lien upon each unit and its appurtenant undivided interest in the common elements, which lien shall secure and does secure the monies due for all assessments now or hereafter levied or subject to being levied against the owner of each unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing to the ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the ASSOCIATION in enforcing this lien upon said unit and its appurtenant undivided interest in the common elements. The said lien for nonpayment of assessments shall have priority over all other liens and encumbrances, recorded or unrecorded except only; (1) tax lien on the unit in favor of the State, the County, and municipality and any special district, and (2) all sums unpaid on a first mortgage of record. In any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the owner of any unit for the date on which the payment of any assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said unit, without notice to the owner of such unit. The rental required to be paid shall be equal to the rental charged on comparable types of dwelling units in the Romar Beach and Gulf Shores, Alabama, area. The lien granted to the ASSOCIATION shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the rate of twelve (12) percent per annum on any such advances made for such purposes. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the ASSOCIATION.

11.4. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit.

11.5. No owner of a unit may exempt himself from liability for contribution toward the common expenses and other charges by waiver of the use of enjoyment of any of the common elements or by the abandonment of his unit, or by any other means; except that any holder of a mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed in lieu of foreclosure, shall take the property free of any claims for unpaid assessments against the mortgaged unit which accrue prior to the time such holder comes into possession (except for pro rata allocation of such assessment to all units including the mortgaged unit); and shall not be liable for contribution toward common expenses and other charges until the subject unit shall have been leased or sold.

11.6. The ASSOCIATION shall promptly provide any unit owner and/or the holder of a mortgage comprising a first lien on any unit or the grantee in any voluntary conveyance of a unit so requesting the same in writing with a written statement of all unpaid assessments due from the unit.

12. Association. The operation and administration of the condominium shall be by an ASSOCIATION, pursuant to the provisions of the CONDOMINIUM OWNERSHIP ACT OF ALABAMA, which shall be incorporated as a nonprofit corporation and which shall be organized and shall fulfill its function pursuant to the following provisions:

12.1. The name of the ASSOCIATION shall be SUMMER HOUSE, on Romar Beach, ASSOCIATION, INC.

12.2. The powers and duties of the ASSOCIATION shall include those set forth in the CONDOMINIUM OWNERSHIP ACT, and those set forth in this Declaration and the Bylaws of the ASSOCIATION, attached to and made a part hereof, and those set forth in its Articles of Incorporation and shall have the power to purchase a unit of the condominium. The powers of the ASSOCIATION shall include but not be limited to the maintenance, management and operation of the condominium property.

12.3. The members of the ASSOCIATION shall be subject to the following requirements:

12.3(A) The members of the ASSOCIATION shall consist of all the record owners of units.

12.3(B) Change of membership in the ASSOCIATION shall, after compliance with Section 15 of this Declaration, be established by the recording in the public records of Baldwin County, Alabama, of a deed or other instrument establishing a record of title to a unit in the condominium, and the delivery to the ASSOCIATION of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the ASSOCIATION. The membership of the prior owner shall thereby be terminated.

12.3(C) Each unit shall be entitled to one (1) vote, which vote shall be the percentage assigned to the unit as stated in Exhibit "B" hereto attached. The vote for a unit shall be cast by the owner thereof or the owner of a possessory interest therein, or in the case of a corporate owner, by the officer or employee thereof designated as the voting representative of such unit, as hereinafter provided. Owners of more than one (1) unit shall be entitled to a vote for each unit owned. However, should the ASSOCIATION be a unit owner, it shall not have the voting right for that unit.

12.3(D) In the event a unit is owned by one (1) person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the ASSOCIATION. If a unit is owned by a partnership, the person entitled to cast the vote for the unit shall be designated by a certificate signed by a majority of the general partners. If a unit is owned by a corporation, the officer or employee thereof entitled to cast a vote for the unit shall be designated by a certificate of appointment signed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the corporation and

filed with the Secretary of the ASSOCIATION. If such certificate is not on file with the Secretary of the ASSOCIATION for a unit owned by more than one (1) person, a partnership or by a corporation, the membership or vote of the unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the unit. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned is effected. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof.

12.3(E) Whenever the approval or disapproval of a unit owner is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such approval or disapproval shall be expressed by the same person who would cast the vote of such owner if in an ASSOCIATION meeting, unless the joinder of all record owners is specifically required by Declaration.

12.3(F) The share of a member in the funds and assets of the ASSOCIATION cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to this unit.

12.4. The affairs of the ASSOCIATION shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than nine (9) as shall from time to time, be determined and fixed by vote of a majority of the voting rights present in any annual meeting of the members.

12.5. Every Director and every Officer of the ASSOCIATION shall be indemnified by the ASSOCIATION against all expenses and liability, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a Director or Officer of the ASSOCIATION, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the ASSOCIATION. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

12.6. Notwithstanding the liability of the ASSOCIATION to maintain and repair parts of the condominium property, the ASSOCIATION shall not be liable for injury or damage caused by a latent condition of the property to be maintained and repaired by the ASSOCIATION nor for injury or damage caused by the elements, or other owners or persons.

12.7. Bylaws of the ASSOCIATION shall be in the form attached as Exhibit "D" hereto.

13. Insurance. Insurance (other than title insurance) which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

13.1. All insurance policies upon the condominium property shall be purchased by the ASSOCIATION in the name

of the ASSOCIATION as trustee for each of the unit owners in the percentages of ownership set forth in the Declaration, and their mortgagees as their interest may appear, and provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of unit owners. Such policies shall be deposited with the ASSOCIATION. A unit owner may at his own expense additionally insure his own unit for his own benefit provided such additional insurance upon his unit be placed with the ASSOCIATION'S insurance agent; and provided further, that any diminution in insurance proceeds to the ASSOCIATION resulting from the existence of such other insurance shall be chargeable to the owner who acquired such other insurance, who shall be liable to the ASSOCIATION to the extent of any such diminution and/or loss of proceeds. A unit owner may obtain at his own expense, insurance coverage upon his own personal property, and such other coverage, including personal liability, as he may desire.

13.2. Insurance coverage requirements shall be as follows:

13.2(A) All buildings and improvements upon the land and all personal property comprising the condominium property shall be insured with a single insurance agent in an amount sufficient to avoid application of a coinsurance clause, but not more than the maximum insurable replacement value, without deduction for depreciation, as determined annually by the Board of Directors of the ASSOCIATION. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild;

(a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to water damage, vandalism and malicious mischief, and flood insurance.

13.2(B) Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the ASSOCIATION.

13.2(C) Workmen's compensation policy, if needed to meet the requirements of the law.

13.2(D) The Board may purchase and maintain in force debris-removal insurance, fidelity bonds, and other insurance and/or bonds as it may deem necessary. The Board is authorized to provide coverage payment of maintenance charges in behalf of an owner whose unit is rendered uninhabitable by a peril insured against, and to absolve such an owner of the obligation to pay maintenance charges to the extent that the same are offset by proceeds from such coverage.

13.2(E) Insurance coverages will be analyzed by the Board, or its representative, at least every three (3) years from the date hereof and the insurance program revised accordingly.

13.3. Every such policy of insurance shall in substance and effect:

13.3(A) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim apportionment, proration, or contribution, by reason of any other insurance obtained by or for any apparent owner.

13.3(B) Contain no provision relieving the insurer from liability for a loss occurring while the hazard to such building is increased, whether or not within the knowledge of control of the ASSOCIATION, or because of any breach of warranty or condition or any other act of neglect by the ASSOCIATION or any unit owner or any persons under either of them.

13.3(C) Provide that such policy may not be cancelled (whether or not requested by the ASSOCIATION) except by the insurer giving at least thirty (30) days prior written notice thereof to the ASSOCIATION, the fee owner, and every other person in interest who shall have requested such notice of the insurer.

13.3(D) Contain a waiver by the insurer of any right of subrogation to any right of the ASSOCIATION, or either against the owner or lessee of any unit; and

13.3(E) Contain a standard mortgage clause which shall:

(a) Provide that any reference to a mortgage in such policy shall mean and include all holders of mortgages of any unit, whether or not named therein; and

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the ASSOCIATION or unit owners or any persons under any of them; and

(c) Waive any provision invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, and requirement that the mortgagee pay any premium thereon, and any contribution clause.

13.4. Premiums upon insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a common expense.

13.5. All insurance policies purchased by the ASSOCIATION shall be for the benefit of the ASSOCIATION and the unit owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering casualty losses shall be paid to the ASSOCIATION, as Trustee for each of the unit owners in the percentages established by the Declaration, which said ASSOCIATION for the purpose of these provisions, is herein referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees, as follows:

13.5(A) Proceeds on account of damage to common areas and facilities -- an undivided share for each unit owner, such share being the same as his undivided share in

1971 1003

the common areas and facilities appurtenant to his unit.

13.5(B) Proceeds on account of units shall be held for the owners of damaged units in proportions to the costs of repairing the damage suffered by each unit owner, which costs shall be determined by the ASSOCIATION.

13.5(C) In the event a mortgage endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interest may appear.

13.6. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

13.7. The ASSOCIATION is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the ASSOCIATION, and to execute and deliver releases upon the payment of claims.

14. Reconstruction or Repair after Casualty.

14.1. In the event more than two-thirds (2/3) of the total number of units are substantially damaged or destroyed by fire or other casualty and members entitled to cast at least seventy-five (75) percent of the votes (which 75% vote shall constitute an "agreement" for the purposes of Section 20(B)(1) and (2) of the ALABAMA CONDOMINIUM OWNERSHIP ACT) in the ASSOCIATION do not within sixty (60) days from the date of such casualty make request in writing to the Board of Directors of the ASSOCIATION to proceed with repair or reconstruction, then in that event, upon the vote of a majority of unit owners in favor of removal, the property shall be subject to an action for removal from the condominium form of ownership and for partition at the suit of the owner of any unit, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Insurance Trustee shall be considered as one fund and shall be distributed among the owners of all the units, each owner's share in said fund being determined in the manner set forth in Exhibit "B." Any distribution to the owner of a unit upon which there is a mortgage constituting a first lien shall be made to such owner and his mortgagee jointly.

If the mortgage so provides, for the purposes of this Section, should a mortgagee holding a mortgage which constitutes a first lien on a unit express in writing within sixty (60) days such mortgagee's desire either to rebuild, repair or reconstruct or not to rebuild, repair or reconstruct the damaged or destroyed property, the expression of said mortgagee shall be deemed to be that of the unit owner, and any contrary expression by the owner of said unit shall be disregarded.

Other than as hereinabove provided, any property damaged or destroyed by fire or other casualty shall be promptly repaired or restored.

14.2. If the damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of a unit owner, then the unit owner shall be responsible for the reconstruction and repair after casual-

ty. In all other instances, the responsibility for reconstruction and repair after casualty shall be that of the ASSOCIATION.

14.3. Immediately after a casualty causing damage to property for which the ASSOCIATION has the responsibility of maintenance and repair, the ASSOCIATION shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

14.4. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the ASSOCIATION, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for reconstruction and/or repair of damages to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments for reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the owner's share in the common areas and facilities.

14.5. The funds for payment of costs of reconstruction and repair after casualty for which the ASSOCIATION is responsible which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the ASSOCIATION from assessment against unit owners, shall be disbursed in payment of such costs in the following manner:

14.5(A) The proceeds of insurance collected on account of a casualty, and the sums deposited with the ASSOCIATION from collections of assessments against the unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(a) The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner shall be paid by the Insurance Trustee to the unit owner or, if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly.

(b) If the amount of the estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is less than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs upon the order of the ASSOCIATION; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) If the amount of estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is more than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the ASSOCIATION and upon approval of an architect qualified to practice in Alabama and employed by the ASSOCIATION to supervise the work.

(d) It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided.

15. Use Restrictions. The use of the property of the condominium shall be in accordance with the following provisions.

15.1. The condominium property shall be used only for single family residences, and for the furnishing of services and facilities herein provided for the enjoyment of such residences. Each of the units shall be occupied only by a single family and its guests as a residence and for no other purpose.

15.2. No nuisances shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

15.3. No immoral, improper, offensive, or unlawful use shall be made of the condominium property nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned. No commercial use except as set forth in Paragraph 15.4 shall be permitted.

15.4. After approval by the ASSOCIATION as elsewhere required, entire units may be rented provided the occupancy is only by the Lessee and his family and guests. No individual rooms may be rented and no transient tenants may be accommodated.

15.5. Reasonable rules and regulations concerning the use of the condominium property may be made by the DEVELOPER and amended from time to time by the Board of Directors of the ASSOCIATION; provided, however, that all such amendments thereof shall be approved by not less than a majority of the votes of the ASSOCIATION before such shall become effective. Members not present at meetings considering such rules and regulations or amendments thereto may express their approval or disapproval in writing. Copies of such rules and regulations or amendments thereto shall be

furnished by the ASSOCIATION to all unit owners and residents of the condominium upon request.

15.6. Provided, however, that neither the unit owners nor the ASSOCIATION, nor the use of the condominium property by unit occupants shall interfere with the completion of the improvements contemplated by this Declaration or by any amendments thereto or the sale of any units by DEVELOPER. DEVELOPER may make such use of the unsold units, the model unit and of the common areas and facilities as may facilitate such completion and sale including, but not limited to, the showing of the property and the display of signs.

16. Maintenance of Community Interest. In order to maintain a community of congenial residents, preserve the financial stability of the condominium regime, and protect the value of the units, the transfer of condominium parcels by any owner other than the DEVELOPER shall be subject to the following provisions so long as the condominium shall exist:

16.1. Transfer of a unit is subject to approval as follows:

16.1(A) No unit owner may dispose of a condominium unit or any interest therein by any sale without approval of the ASSOCIATION, except to another unit owner.

16.1(B) A unit may be leased or rented by the owner or owners thereof without approval of the ASSOCIATION for any period up to one (1) year; provided, however, there shall be no extensions or renewals of any such lease to the same lessee beyond the one (1) year period without compliance by the owners with the provisions of Section 16.2 below; and provided further, that both the owner and the other parties to the lease or rental agreement shall at all times be subject to and bound by all of the provisions of this Declaration, the Bylaws, and the Rules and Regulations of the ASSOCIATION, copies of which shall be furnished to the leasing or renting party or parties by the owner. It is expressly understood that the owner or owners shall at all times remain primarily liable to the ASSOCIATION for all common expenses and all assessments or other charges made against the leased or rented unit.

16.1(C) If any unit owner shall acquire his title by gift, the continuance of his ownership of his condominium unit shall be subject to the approval of the ASSOCIATION.

16.1(D) If any unit owner shall acquire his title by devise or inheritance, the continuance of his ownership of his condominium unit shall be subject to the approval of the ASSOCIATION.

16.1(E) If any unit owner shall acquire his title by any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his condominium unit shall be subject to the approval of the ASSOCIATION.

16.2. The approval of the ASSOCIATION which is required for the transfer of condominium units shall be obtained in the following manner:

16.2(A) Notice to the ASSOCIATION of transfer of condominium units shall be obtained in the following manner:

(a) A unit owner intending to make a bona fide sale of his unit or any interest therein shall give to the ASSOCIATION at least thirty (30) days written notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the ASSOCIATION may reasonably require.

(b) A unit owner intending to make a bona fide lease of his unit or any interest therein, for a term of more than one (1) year, shall give to the ASSOCIATION at least thirty (30) days written notice of such intention together with the name and address of the intended lessee, such other information concerning the intended lessee as the ASSOCIATION may reasonably require, and an executed copy of the proposed lease.

(c) A unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not heretofore considered, shall give to the ASSOCIATION notice of the acquiring of his title, together with such information concerning the unit owner as the ASSOCIATION may reasonably require, and a certified copy of the instrument evidencing the owner's title.

(d) If the notice to the ASSOCIATION herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the ASSOCIATION, at its election and without notice, may approve or disapprove the transaction of ownership. If the ASSOCIATION disapproves the transaction of ownership, the ASSOCIATION shall proceed as if it had received the required notice on the date of such disapproval.

16.2(B) A certificate of approval is subject to the following requirements:

(a) If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information the ASSOCIATION must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the purchaser and shall be recorded in the public records of Baldwin County, Alabama.

(b) If the proposed transaction is a lease for a term of more than one (1) year, then within thirty (30) days after receipt of such notice and information the ASSOCIATION must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the lessee.

(c) If the unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then

within thirty (30) days after receipt of such notice and information, the ASSOCIATION must either approve or disapprove the continuance of the unit owner's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the unit owner and shall be recorded in the public records of Baldwin County, Alabama.

16.2(C) Inasmuch as the condominium may be used only for residential purposes, and a corporation cannot occupy a unit for such use, if the unit owner or purchaser of a unit is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons to use or occupy the unit be also first approved by the ASSOCIATION.

16.3. If the ASSOCIATION shall disapprove a transfer of a unit, the matter shall be disposed of in the following manner:

16.3(A) If the proposed transaction is a sale then within sixty (60) days after notifying the unit owner of such disapproval, the ASSOCIATION shall deliver or mail by certified mail to the unit owner an offer to purchase either by the ASSOCIATION, or by a purchaser approved by the ASSOCIATION, and to whom the unit owner must sell the unit upon the following terms:

(a) At the option of the purchaser to be stated in his offer, the price to be paid shall be that stated in the disapproved contract to sell, or if less, then the fair market value, determined by the arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their appraisals of the unit, and a judgement of specific performance of the sale upon any award rendered by the arbitrators may be entered in a court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(b) The purchase price shall be paid in cash.

(c) The sale shall be closed within thirty (30) days after the delivery or mailing of said offer to purchaser, or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later.

(d) If the ASSOCIATION shall fail to purchase or to provide a purchaser as herein required, then notwithstanding the disapproval, such transfer of ownership shall be deemed to have been approved, and the ASSOCIATION shall furnish a certificate of approval as elsewhere provided.

16.3(B) If the proposed transaction is a lease for a term of more than one (1) year, the unit owner shall be advised of the disapproval in writing, and the lease shall not be made.

16.3(C) If the unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within thirty (30) days after receipt from the unit owner of the notice and information required to be furnished, the ASSOCIATION shall deliver or mail by certified mail to the unit owner an offer to purchase either by the ASSOCIATION, or a purchaser approved by the ASSOCIATION and to whom the unit owner must sell the unit upon the following terms:

(a) The sale price shall be the fair market value determined by agreement within thirty (30) days from the delivery or mailing of such agreement, by arbitration in accordance with the then existing rules of the American Arbitration Association except that the arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit; and a judgement of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(b) The purchase price shall be paid in cash.

(c) The sale shall be closed within ten (10) days following the determination of the sale price.

(d) 'If the ASSOCIATION shall fail to purchase or to provide a purchaser as herein required, then notwithstanding the disapproval, such transfer of ownership shall be deemed to have been approved, and the ASSOCIATION shall furnish a certificate of approval as elsewhere provided.

16.4. No unit owner may mortgage his unit nor any interest therein without the approval of the ASSOCIATION except to a bank, life insurance company, a savings and loan association, or the DEVELOPER. The approval of any other mortgage may be upon conditions determined by the ASSOCIATION or may arbitrarily be withheld.

16.5. Notwithstanding any other provision of this Declaration or the Bylaws, the entire condominium property or some or all of the units included therein may be subjected to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument executed by all of the owners of the property or units covered thereby. The instrument creating any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit from the lien of such a mortgage, and a satisfaction and discharge in recordable form, upon payment to the holder of the mortgage of a sum equal to the proportionate share attributable to his unit of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid, which proportionate share attributable to each unit shall be the proportion in which all unit owners whose units are then subject to the lien of such mortgage own among themselves the common elements and the private elements as provided in the Declaration, or such other reasonable proportion as shall be specifically provided in the mortgage instrument; and such mortgage may contain provisions for converting the same to individual mortgages on the individual units included therein.

16.6. The foregoing provisions of this section entitled "Maintenance of Community Interest" shall not apply to a transfer to or purchase by any holder of the mortgage which comes into possession and title of the unit as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed from the mortgagor in lieu of foreclosure; nor shall such provisions apply to a transfer, sale or lease by such holder of the mortgage which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a unit at a duly advertised public sale with open bidding as may be provided by law, such as, but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

16.7. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the ASSOCIATION.

16.8. Notice of a lien or suit shall be given to the ASSOCIATION as follows:

16.8(A) A unit owner shall give notice to the ASSOCIATION of every lien upon his unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the owner's receipt of notice thereof.

16.8(B) A unit owner shall give notice to the ASSOCIATION of every suit or other proceeding which may affect the title to his unit, such notice to be given within five (5) days after the unit owner received knowledge thereof.

16.8(C) Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

17. Compliance with Default. Each unit owner shall be governed by and shall comply with the terms of the condominium documents and regulations as they may be amended from time to time. A default shall entitle the ASSOCIATION or other unit owners to the following relief in addition to the remedies provided by the CONDOMINIUM OWNERSHIP ACT:

17.1. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances.

17.2. In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the Court.

17.3. The failure of the ASSOCIATION or any unit owner to enforce any covenant, restriction or other provision of the CONDOMINIUM OWNERSHIP ACT, this Declaration, the Bylaws, or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

18. Covenant Against Partition. There shall be no judicial or other partition of the project or any part thereof, nor shall DEVELOPER or any person acquiring any

interest in the project or any part thereof seek any such partition unless the project has been removed from the provisions of the CONDOMINIUM OWNERSHIP ACT, as in said Act provided.

19. Amendment. Except as provided in Section 6, 7, and 10 hereof, this Declaration of Condominium and the Bylaws of SUMMER HOUSE, on Romar Beach, ASSOCIATION, INC., may be amended in the following manner:

19.1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

19.2. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the ASSOCIATION or by members having not less than ten (10) percent of the total percentage values of those votes entitled to be cast at a meeting and after being so proposed and thereafter approved by one (1) of such bodies, it must then be approved by the other to become effective. Directors and members not present at the meeting considering the amendment may express their approval or disapproval in writing, provided such approval or disapproval is delivered to the Secretary at or prior to the meeting. Such approvals must be not by less than a majority of the Directors and not less than a majority of the votes of the ASSOCIATION. If the mortgage so provides, for the purposes of this subsection, if any mortgagee holding a mortgage comprising a first lien upon a unit shall express its approval or disapproval of such resolution in writing, the expression of such mortgage shall be deemed to be that of the unit owner, and any contrary expression by the owner of such unit shall be disregarded.

19.3. A copy of each amendment shall be certified by the President and Secretary of the ASSOCIATION as having been duly adopted and shall be effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

19.4. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners, including first mortgagees, of units in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

19.5. Provided, however, that no such amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners, so affected shall consent; and, with the exception of amendment(s) filed in accordance with and pursuant to Sections 6 and 7 hereof, no such amendment shall increase or decrease the number of units, nor change the owner's percentage of undivided interest in the common elements unless all owners and all record holders of mortgages comprising first liens thereon shall join in the execution of the amendment.

Provided, further, that in no event shall the Declaration be amended in any manner so as to prejudice or conflict with DEVELOPER'S rights to develop the property described on Exhibit "C" attached hereto, including the right of DEVELOPER to submit any or all of said property to the condominium form of ownership and use in one or more phases, as provided herein, and any such amendment shall be null and void and of no effect.

19.6(A) Notwithstanding any other provisions herein contained, for so long as the DEVELOPER continues to

REC. 98 OCT 15 1974

own any of the units, the DEVELOPER reserves the unrestricted right to sell, assign or lease any unit which it continues to own after the recording or filing of this Declaration, and to post signs on the condominium property.

19.6(B) Provided, however, that until the DEVELOPER of the condominium has completed and sold all of the units of Phase I, of the condominium, or until January 1, 1990, or until DEVELOPER elects to terminate its control of the condominium whichever shall first occur, and provided, further, that until the DEVELOPER of the condominium has completed and sold seventy-five (75) percent of the aggregate of all the units of the condominium, or until the DEVELOPER elects to terminate its control over the condominium whichever shall first occur; the following additional provisions shall be deemed to be in full force and effect:

(a) The DEVELOPER reserves the right to amend the Bylaws of the ASSOCIATION.

(b) The Directors of the ASSOCIATION shall be designated by the DEVELOPER and such Directors as may be so designated need not be unit owners.

19.6(C) None of the provisions in this subparagraph contained shall be construed so as to relieve the DEVELOPER from any obligations of a unit owner to pay assessments as to each unit owned by it, in accordance with the condominium documents.

20. Provisions Pertaining to the DEVELOPER::

20.1. Notwithstanding any other provisions herein contained:

20.1(A) DEVELOPER reserves the unrestricted right to sell, assign or lease any unit which it may now or hereafter own, whether such unit be located on the property described hereinabove or in Exhibit "C" hereto, after the recording or filing of this Declaration or any amendment hereto, and to post signs on the condominium property.

20.1(B) Until DEVELOPER has completed and sold all of the units located on the property described hereinabove being Phase I, or until January 31, 1988, or until DEVELOPER elects to terminate its control of the Condominium, whichever shall first occur, the following additional provisions shall be deemed to be in full force and effect:

(a) DEVELOPER reserves the right to amend the Bylaws of the ASSOCIATION.

(b) The Directors of the ASSOCIATION shall be designated by DEVELOPER and such Directors as may be so designated need not be unit owners.

20.1(C) In the event DEVELOPER, pursuant to Paragraph 6 of this Declaration, files an amendment or amendments to this Declaration submitting to the provisions hereof any or all of the property described on Exhibit "C" attached hereto, then, for each such amendment, from the time of the filing of such amendment until DEVELOPER has completed and sold all of the units located on the property submitted to the terms of this Declaration by such amendment, the following additional provisions shall be deemed to be in full force and effect:

(a) DEVELOPER shall have the right to amend

REC 48 OF 1073

the Bylaws of the ASSOCIATION to the extent deemed by it to be necessary or appropriate in light of the submission of such additional phase to the provisions of this Declaration.

(b) DEVELOPER shall have the right, but not the obligation, to designate a majority of the Directors of the ASSOCIATION, and such Directors as may be so designated need not be unit owners.

20.1(D) Any mortgage of any form taken by DEVELOPER in connection with the sale of a unit may be assigned by the DEVELOPER at any time to any bank or other financing institution of its choosing. Any such mortgage shall contain a provision recognizing this right of assignment.

20.1(E) Anything herein to the contrary notwithstanding, neither unit owners nor the ASSOCIATION, nor the holder of any lien or mortgage on any unit, shall take any action which interferes in any way with DEVELOPER'S efforts to sell or otherwise dispose of any unit which it may now or hereafter own, or which would in any way prejudice or conflict with the rights of DEVELOPER to develop the property described on Exhibit "C" attached hereto, including its right to submit said property to the condominium form of ownership and use by amendment to this Declaration in one (1) or more phases, and any such action shall, at the option of the DEVELOPER, be void.

20.2. None of the provisions contained in this Paragraph 20 shall be construed so as to relieve DEVELOPER from any obligations of a unit owner to pay assessments to each unit owned by it, in accordance with the condominium documents.

21. Proportionate Changes in Common Expenses, Common Surplus, and Voting Rights. In the event any one (1) or more of the units are not rebuilt by reason of the loss of lands as a result of destruction, condemnation or otherwise, and therefore the number of units is reduced, or in the event the number of units is reduced because (a) the ASSOCIATION has become the owner of a unit by foreclosure of its lien as heretofore provided, or (b) an entity has acquired title to a unit as the result of owning a mortgage upon the unit concerned, whether by deed from the mortgagor or through foreclosure proceedings, then the proportionate share of the common expenses and of the common surplus and the voting rights of each unit shall be increased by adding to each remaining unit their proportionate percentages of ownership out of the percentages of ownership of the units so reduced.

22. Eminent Domain.

22.1. If part of the condominium shall be taken or condemned by any authority having the power of eminent domain in such manner that no unit is taken, compensation and damages for and on account of the taking of the common elements, exclusive of compensation for consequential damages to affected units, shall be payable to the ASSOCIATION as Trustee for all unit owners and mortgagees of record according to the loss or damages to their respective interests in such common elements. The ASSOCIATION, acting by and through its Board of Directors, shall have the right to act on behalf of the unit owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the common elements with-

out limitation on the right of the unit owners to represent their own interest. Such proceeds shall be paid to the ASSOCIATION and shall be used promptly to the extent necessary for restoring or replacing improvements so taken on the remaining property in as substantial compliance with the original plans, specifications and elevations of the improvements as possible and so as to restore the general value of the condominium. In the event such restoration or reconstruction is impossible or impractical, or in the event there is an award in excess of the amount necessary to so substantially restore or reconstruct the common elements, the amount of such award or the excess, as the case may be, shall be distributed by the ASSOCIATION to the unit owners in proportion to their share of undivided interest in the common elements. Nothing herein shall be deemed to prevent unit owners whose units are affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for damages relating to loss of value of the affected units, or personal improvements therein, exclusive of damages related to the taking of common elements. In the event the condemnation award does not allocate damages to specific units, but includes an award for reduction in value of the units without such allocation, the award shall be distributed to the affected unit owners and mortgagees of record in proportion to each unit owner's undivided interest in the common elements.

22.2. If part or all of the condominium shall be taken or condemned by authority having the power of eminent domain in such manner that any unit or part thereof is taken, the ASSOCIATION shall have the right to act on behalf of the unit owners with respect to common areas as in Subsection 1 of this Paragraph 22, and the proceeds shall be used or distributed as outlined therein. The ASSOCIATION, acting through its Board of Directors, shall have the right to act on behalf of the unit owners affected with respect to the taking and compensation affecting the taken area, without limitation on the right of the unit owners to represent their own interests. The awards so made shall be used by the ASSOCIATION first to restore the units and improvements on the remaining common elements in the same manner as provided for restoration or reconstruction under Paragraph 14 of this Declaration, to the extent possible, attempting to rebuild buildings containing new units of the same number, size and basic plan as the units taken, and with any excess award distributed as provided in Subsection 1 of this Paragraph 22. In the event that the Board of Directors determines that such a taking so removes land and buildings containing units so that they cannot effectively be restored or replaced substantially in compliance with the building plans, and unless seventy-five (75) percent of the unit owners and holders of record of mortgages or at least seventy-five (75) percent of the units vote to accept an alternative plan, the award shall be distributed as provided in Subsection 1 of this Paragraph 22.

22.3. The Board of Directors immediately upon having knowledge of the institution or threat of institution of any proceedings or other action with respect to the taking of the condominium units, the common elements, or any portion of any condominium unit or common element in condemnation, eminent domain or other proceeding or actions involving any unit of government or other entity having the power of eminent domain, shall notify mortgagees holding liens of record on any of the units. Any such mortgagee may, at its option, and if permitted by law, participate in any such proceedings or actions or, in any event, may at its option, participate in negotiations in connection therewith, but shall have no obligation to do so.

23. Notice to Mortgagee of Default by Unit Owner. In the event of any default in the performance by a unit owner of any of his duties or obligations under this Declaration, the Bylaws or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall, if such default is not cured within thirty (30) days, give written notice of such default to the holder of a mortgage constituting a first lien on the unit of such defaulting owner; provided, however, that if the default is a failure to pay any charges or assessments to the ASSOCIATION, such notice shall be given if such default is not cured within fifteen (15) days.

24. Notice of Mortgage. Notwithstanding any other provision to the contrary in this Declaration, the ASSOCIATION shall have no obligation to give any notices to, or to take any other actions required by this Declaration with respect to any mortgagees other than those from whom the ASSOCIATION has received a copy of the mortgage or written notice which sets out the unit number of the mortgaged unit, the name of the mortgagor, the name and address of the mortgagee and the date of the mortgage.

25. Termination. The condominium may be terminated in the manner provided by the CONDOMINIUM OWNERSHIP ACT; provided, however, that, in the event of a termination, each unit shall be subject to the payment of a share of the common expenses as heretofore defined, subject to increase as provided in Paragraph 20 hereof.

26. Table and Headings. The table of contents and headings used in this Declaration have been inserted for convenience and do not constitute matter to be construed in interpretation.


27. Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of the Condominium and the Bylaws of the ASSOCIATION shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the said WHITE CAPS CORPORATION, an Alabama corporation, has caused THESE PRESENTS to be executed by T. E. MITCHELL as its President and its seal affixed, all thereunto duly authorized, this the day and year first above written.

WHITE CAPS CORPORATION,
an Alabama corporation

BY: 
T. E. MITCHELL
As Its President

ATTEST:


SYLVIA M. SARANTHUS
As Its Secretary-Treasurer

45-1077

STATE OF ALABAMA)
 *
BALDWIN COUNTY)

I, Leah Ann Quinley, a Notary Public, within and for said County, in said State, do hereby certify that T. E. MITCHELL and SYLVIA M. SARANTHUS, whose names as President and Secretary-Treasurer, of WHITE CAPS CORPORATION, an Alabama corporation are signed to the foregoing Declaration of Condominium and who are known to me, acknowledged before me on this day that, being informed of the contents of the Declaration of Condominium, they as such officers and with full authority, executed the same voluntarily on the day the bears date, for and as the act of said corporation.

Given under my hand and seal on this the 9th day of MARCH, 1983.

Leah Ann Quinley
NOTARY PUBLIC, BALDWIN CO., AL



THIS INSTRUMENT PREPARED BY:

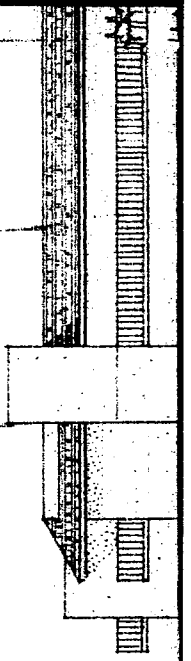
ROBERT A. WILLS
Attorney at Law
P. O. Box 547
Bay Minette, AL 36507

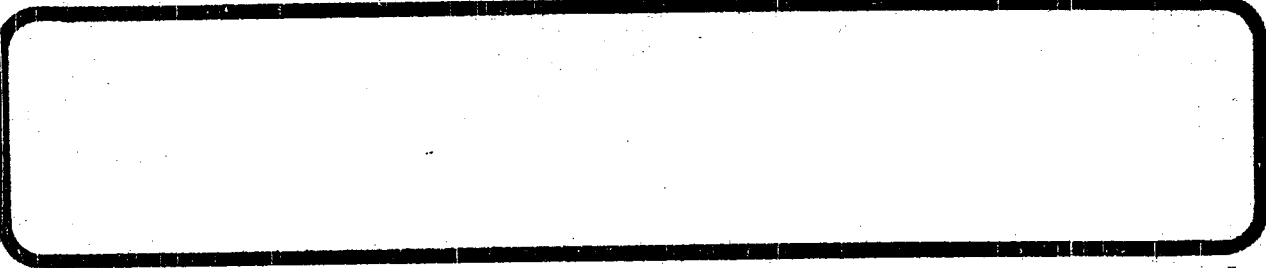
REC- 48 MAR 1983

Section A
Units
101 - 1501

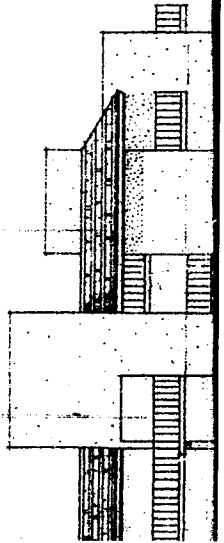
Section B
Units
102 - 1502

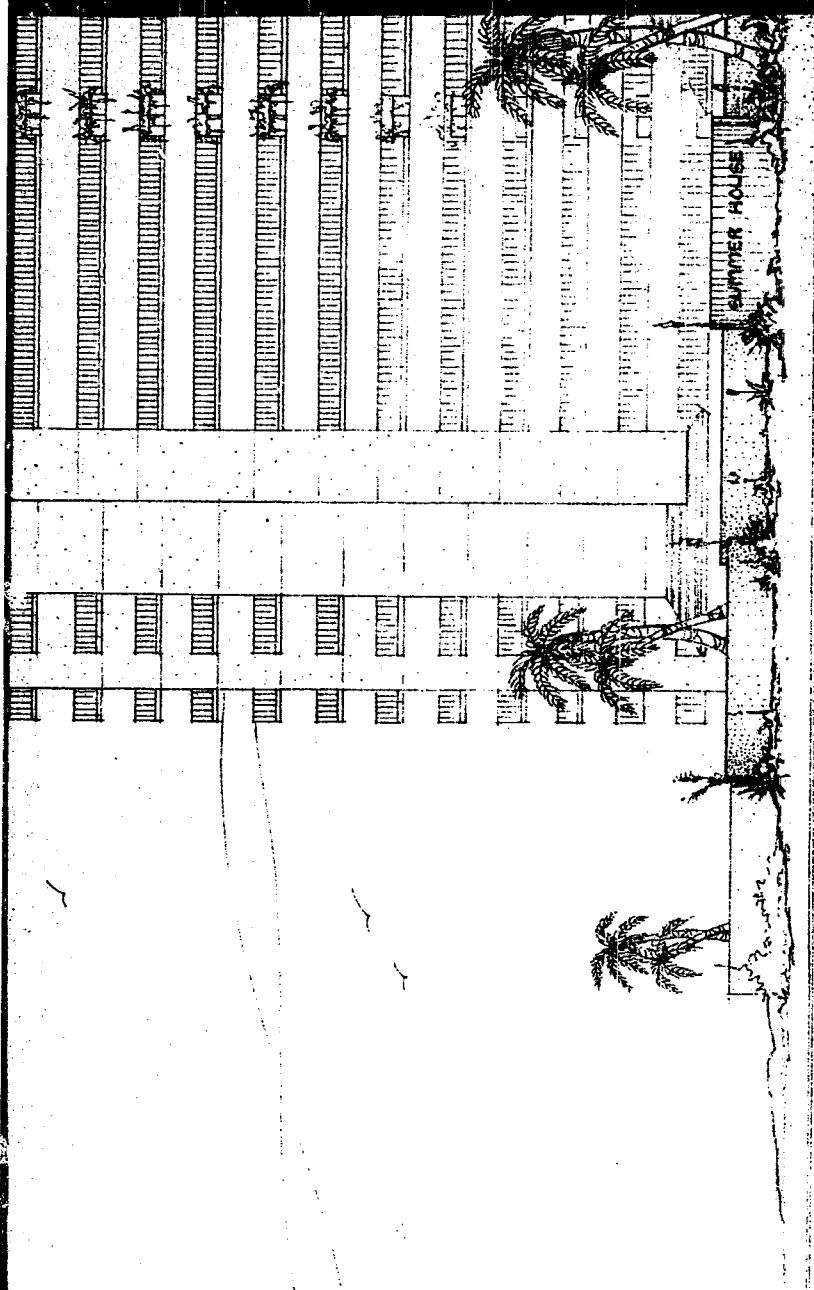
Section C
Units
103 - 1503





ion D Section E Section F
Units Units Units
1-1504 105-1505 106-1506





NORTH ELEVATION

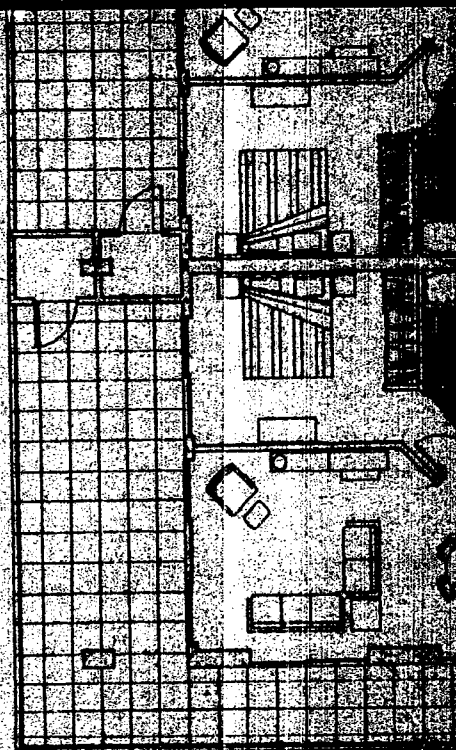
155

The Building Contains
There is no 13th floor d

SUMMER HOUSE

Section A

Section B

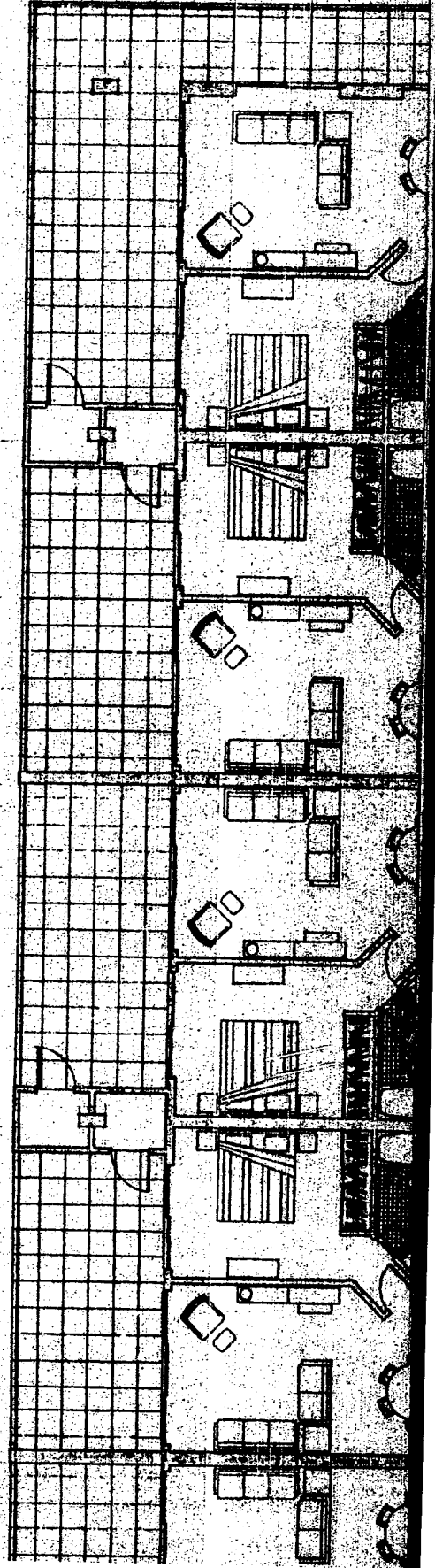


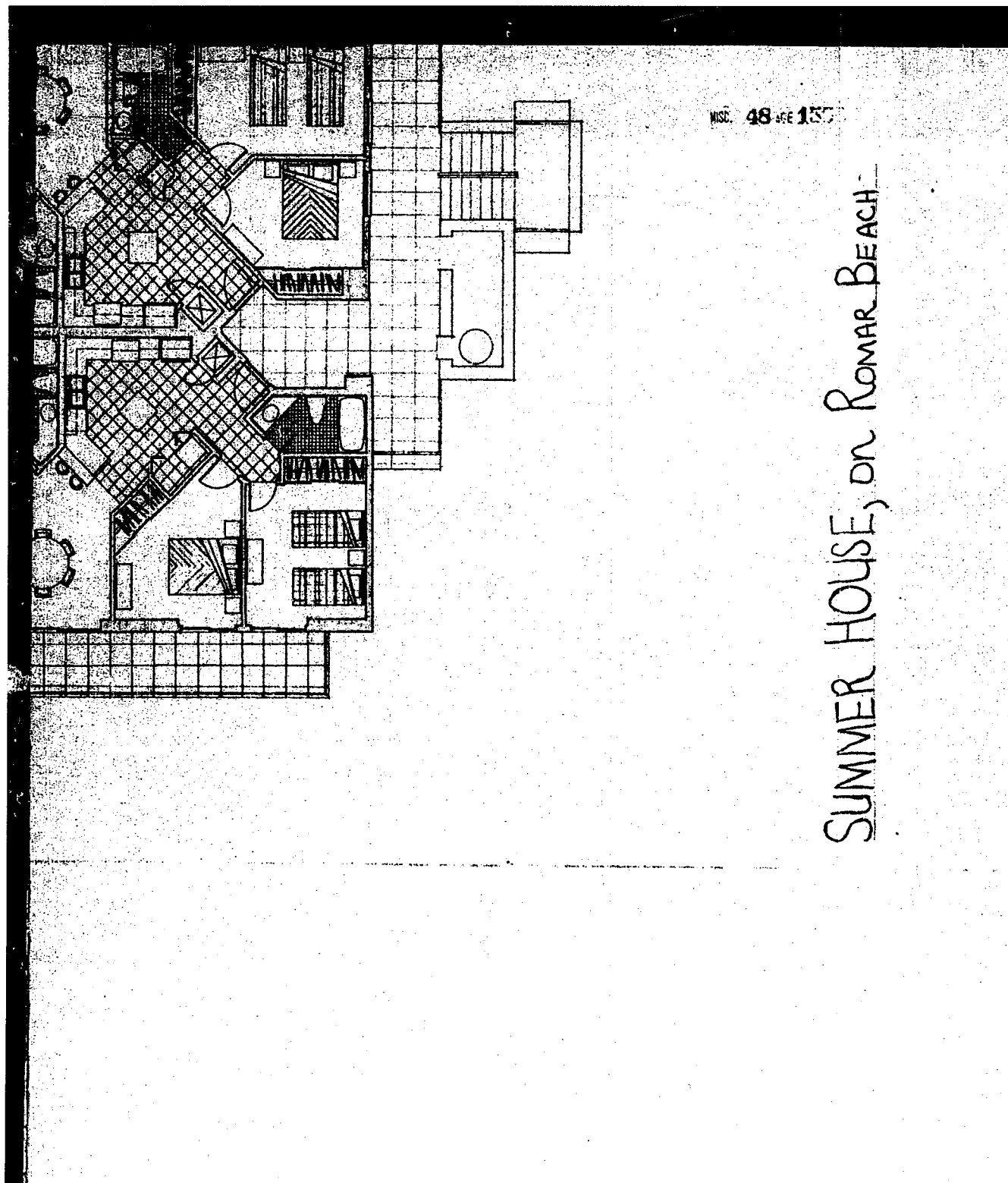
Section F

Section E

Section D

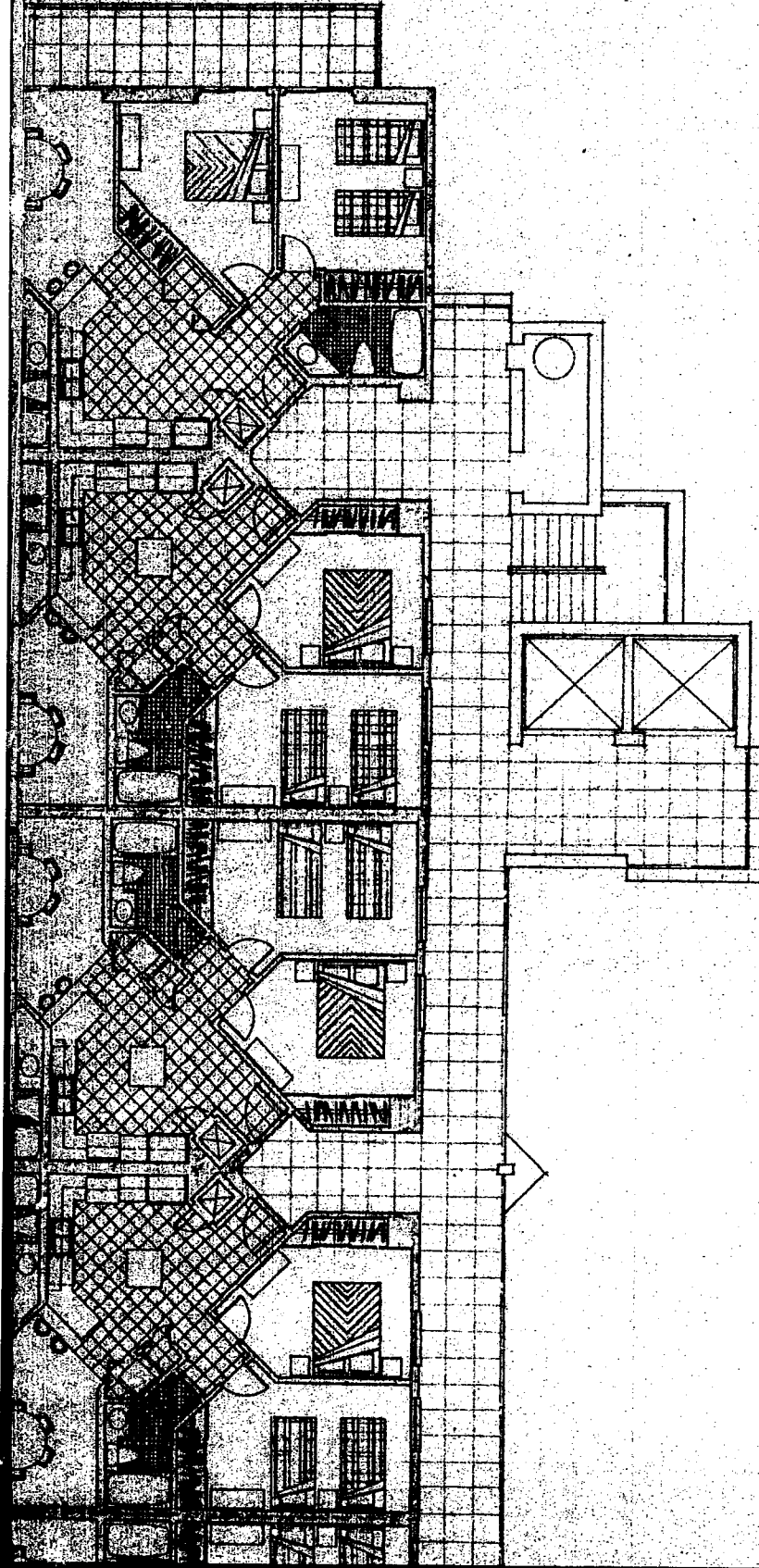
Section C





MISC. 48 AGE 1556

SUMMER HOUSE, ON ROMAR BEACH



TYPICAL UPPER FLOOR PLAN
SCALE 1/8" = 1'-0"

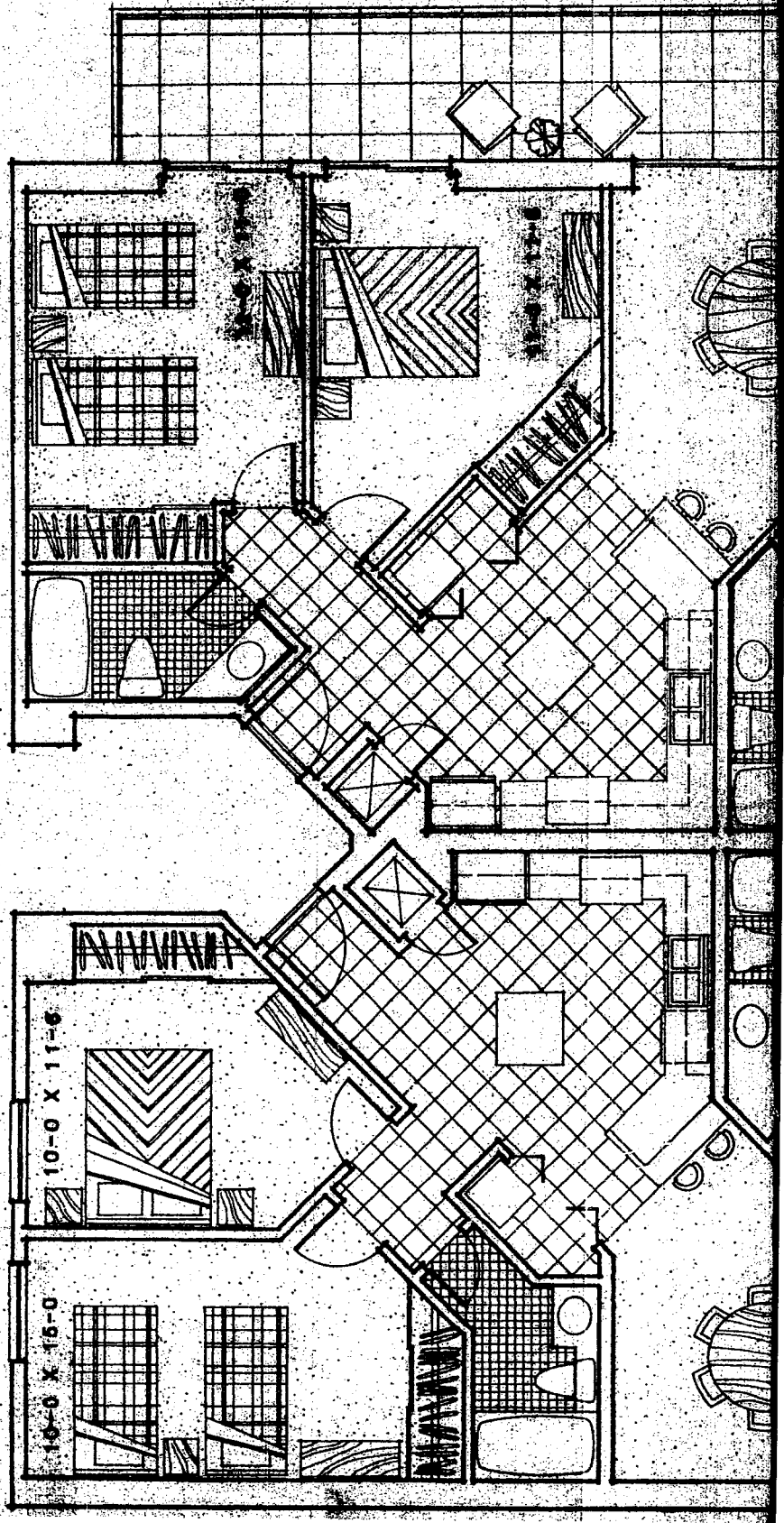
All units contain 1263 square feet,
excluding Quarry Tile decks.

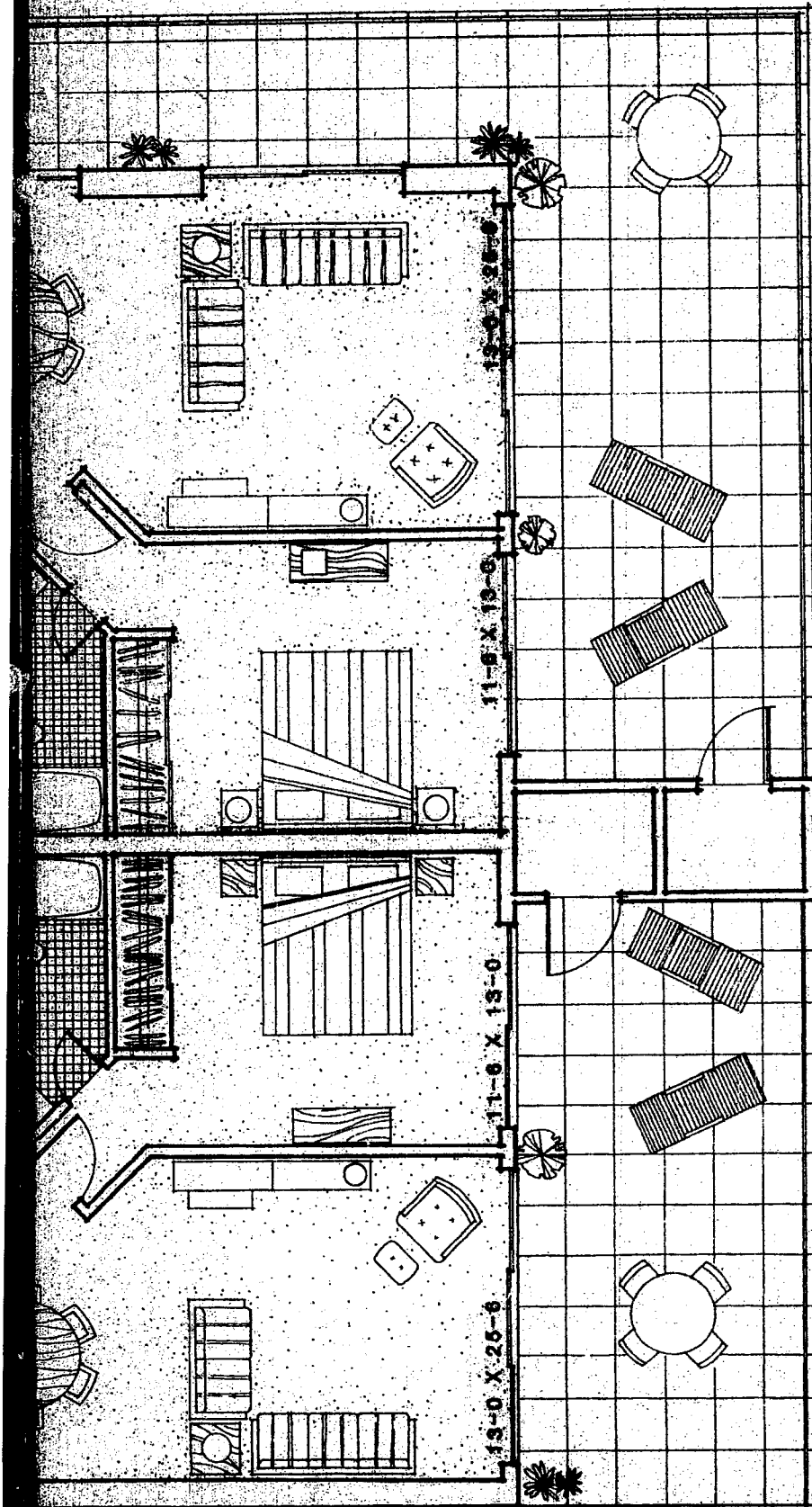
This is a typical floor
plan for all end units

Units
101 - 1501
106 - 1506

This is a typical floor
plan for all interior units

Units
102 - 1502
103 - 1503
104 - 1504
105 - 1505

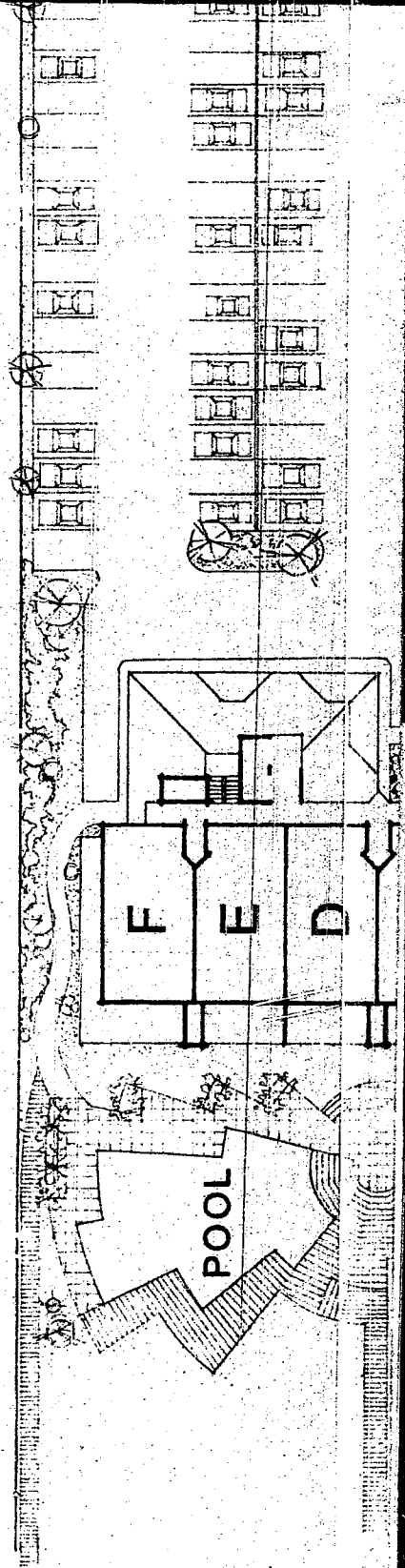




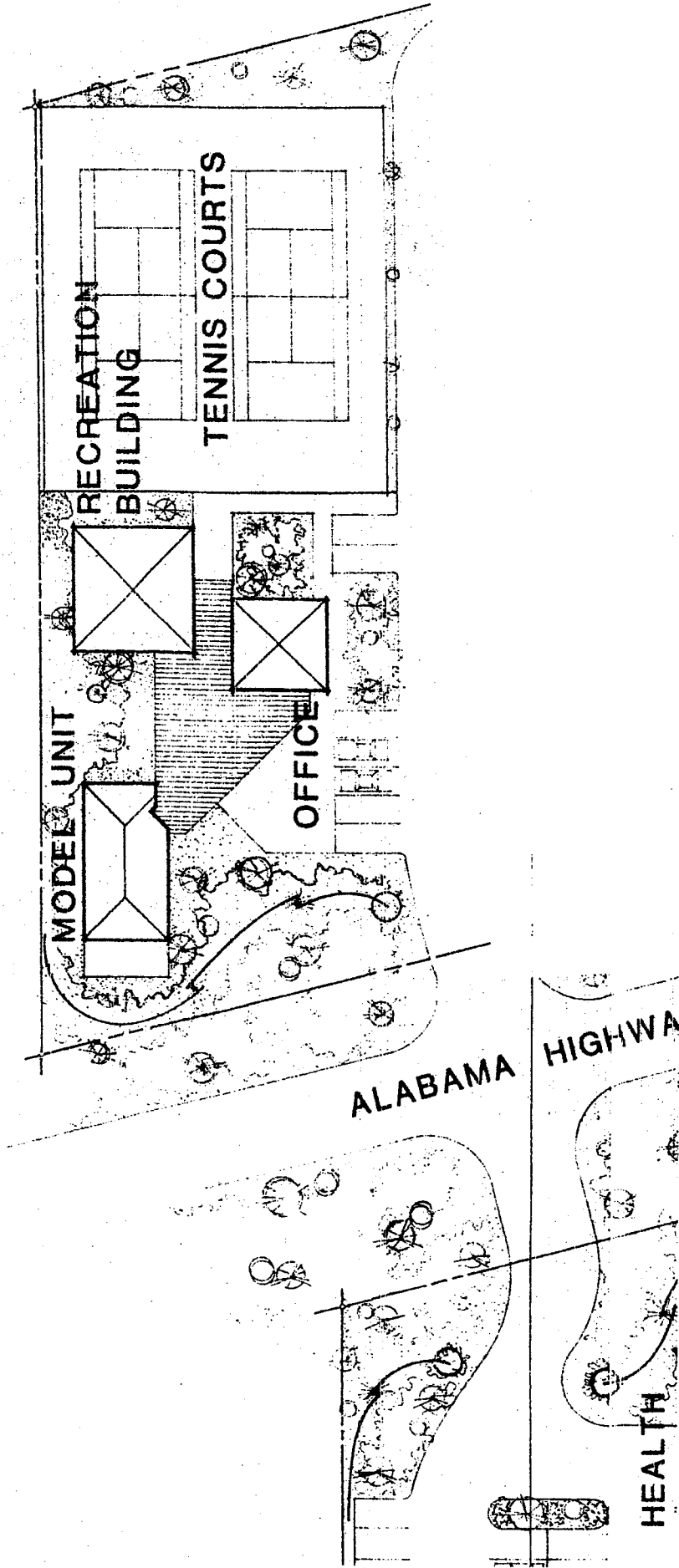
0441/2

SUNNER HOUSE, on ROMAR BEACH

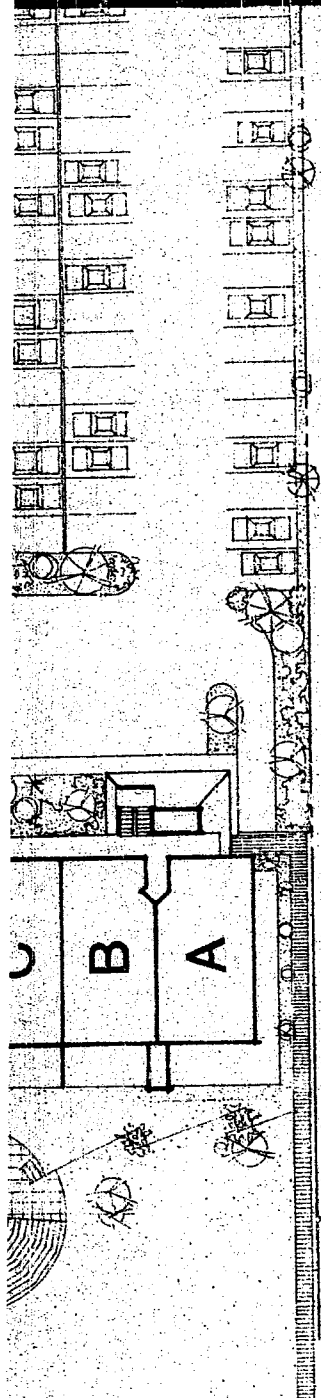
NSC 48 OF 1500



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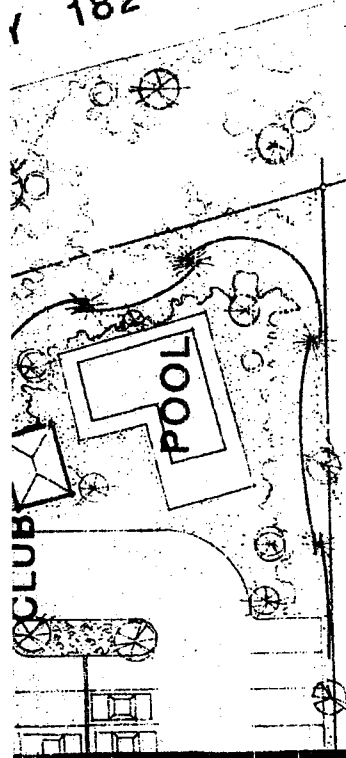
MEXICO



SUMMER HOUSE, ON RO

48-1502

182



MAR BEACH

OWNERSHIP OF COMMON ELEMENTS

Subject to the provisions of the Declaration of Condominium, and the provisions of this Exhibit "B," the owner or owners for each unit within Phase I shall own, initially, as an appurtenance to each such unit, the undivided percentage interest hereinbelow designated in the common elements of Phase I.

<u>UNIT NO.</u>	<u>S/F</u>	<u>PERCENT</u>
101	1263	.01190476
102	1263	.01190476
103	1263	.01190476
104	1263	.01190476
105	1263	.01190476
106	1263	.01190476
201	1263	.01190476
202	1263	.01190476
203	1263	.01190476
204	1263	.01190476
205	1263	.01190476
206	1263	.01190476
301	1263	.01190476
302	1263	.01190476
303	1263	.01190476
304	1263	.01190476
305	1263	.01190476
306	1263	.01190476
401	1263	.01190476
402	1263	.01190476
403	1263	.01190476
404	1263	.01190476
405	1263	.01190476
406	1263	.01190476

MS. B. 1. 1. 1. 1. 1.

<u>UNIT NO.</u>	<u>S/F</u>	<u>PERCENT</u>
501	1263	.01190476
502	1263	.01190476
503	1263	.01190476
504	1263	.01190476
505	1263	.01190476
506	1263	.01190476
601	1263	.01190476
602	1263	.01190476
603	1263	.01190476
604	1263	.01190476
605	1263	.01190476
606	1263	.01190476
701	1263	.01190476
702	1263	.01190476
703	1263	.01190476
704	1263	.01190476
705	1263	.01190476
706	1263	.01190476
801	1263	.01190476
802	1263	.01190476
803	1263	.01190476
804	1263	.01190476
805	1263	.01190476
806	1263	.01190476
901	1263	.01190476
902	1263	.01190476
903	1263	.01190476
904	1263	.01190476
905	1263	.01190476
906	1263	.01190476
1001	1263	.01190476
1002	1263	.01190476
1003	1263	.01190476

MSL 48-11-103

<u>UNIT NO.</u>	<u>S/F</u>	<u>PERCENT</u>
1004	1263	.01190476
1005	1263	.01190476
1006	1263	.01190476
1101	1263	.01190476
1102	1263	.01190476
1103	1263	.01190476
1104	1263	.01190476
1105	1263	.01190476
1106	1263	.01190476
1201	1263	.01190476
1202	1263	.01190476
1203	1263	.01190476
1204	1263	.01190476
1205	1263	.01190476
1206	1263	.01190476
1401	1263	.01190476
1402	1263	.01190476
1403	1263	.01190476
1404	1263	.01190476
1405	1263	.01190476
1406	1263	.01190476
1501	1263	.01190476
1502	1263	.01190476
1503	1263	.01190476
1504	1263	.01190476
1505	1263	.01190476
1506	1263	.01190476

REC. 48-44 1005

EXHIBIT "C"

PARCEL 1:

From the Northeast corner of Section 18, Township 9 South, Range 5 East, Baldwin County, Alabama, run thence South 00 degrees 15 minutes West 612.23 feet, more or less, to a point on the South right of way of Alabama Highway Number 182. run thence South 76 degrees West along said right of way for 7.6 feet to the POINT OF BEGINNING; thence continue South 76 degrees West along said right of way for 200 feet, more or less, to a point; thence run South 00 degrees 15 minutes West for a distance of 739.92 feet, more or less, to the North margin of the Gulf of Mexico; thence run in a Northeasterly direction meandering along said margin of the Gulf of Mexico to a point that is South 00 degrees 15 minutes West and 629.00 feet, more or less, from the POINT OF BEGINNING; run thence North 00 degrees 15 minutes East for 629.00 feet, more or less, to the POINT OF BEGINNING.

PARCEL 2:

Commencing at the Northwest corner of Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama, run thence South 00 degrees 9 minutes 30 seconds West for 187.86 feet to a point, thence run North 76 degrees East and parallel with Alabama Highway Number 182, a distance of 32.01 feet to the POINT OF BEGINNING; thence continue North 76 degrees East and parallel with Alabama Highway Number 182, a distance of 244.44 feet to a point; run thence South 00 degrees 10 minutes 19 seconds West for 300 feet to a point on the North right of way of Alabama Highway Number 182; run thence South 76 degrees West along the North right of way of said Alabama Highway Number 182 for 244.44 feet to a point; run thence North 00 degrees 10 minutes 19 seconds East for 300.00 feet to the POINT OF BEGINNING.

REC. 45 OF 1547

EXHIBIT "D"

BYLAWS

OF

SUMMER HOUSE, on Romar Beach, ASSOCIATION, INC.

1. IDENTITY. These are the Bylaws of SUMMER HOUSE, on Romar Beach, an ASSOCIATION organized pursuant to the CONDOMINIUM OWNERSHIP ACT, Act. No. 1059, 1973 Regular Session, Alabama Legislature (Sect. 35-8-1, et seq., Code of Alabama, 1975), for the purpose of administering ROMAR HOUSE, a condominium, located in the Romar Beach Area, Baldwin County, State of Alabama.

1.1. The office of the ASSOCIATION shall be at SUMMER HOUSE, on Romar Beach, a condominium, Model Unit, Post Office Box 1549, Gulf Shores, Alabama 36542.

1.2. The fiscal year of the ASSOCIATION shall be such as may from time to time be established by the ASSOCIATION.

2. MEMBERS' MEETINGS.

2.1. The Annual Meeting of the unit owners shall be held at the office of the ASSOCIATION at eleven o'clock in the morning, local time, on the second Saturday in March of every year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day following that is not a legal holiday.

2.2. Change of Date. The time of holding the Annual Meeting of members may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting by a resolution duly adopted by the Board of Directors or by the members, provided that notice of such change be mailed to each member of record, at such address as appears upon the records of the ASSOCIATION, not less than ten (10) days before the holding of such meeting; and further provided that each annual meeting of members shall be held within one (1) month of the date on which it should regularly have been held but for such change.

2.3. Special Members' Meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast twenty-five (25) percent of the votes in the ASSOCIATION.

2.4. Notice of all Members' Meetings stating the time and place and the objects for which a meeting is called shall be given by the President or Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the ASSOCIATION and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

REC- 48 OF 1003

2.5. Voting shall be on a percentage basis and the percentage of the vote to which a member is entitled is the percentage assigned to the unit of which the member is the owner, as stated in the Declaration of Condominium.

2.6. A Quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these Bylaws the term "majority" means fifty-one (51) percent of the votes in accordance with the percentages assigned in the Declaration of Condominium.

2.7. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the hearing.

2.8. Vote Required to Transact Business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of the statutes, the Declaration of Condominium, or the Bylaws, a different number is required, in which case the express provision shall govern and control the decision in question.

Anything herein to the contrary notwithstanding, any action required or permitted to be taken at any meeting of the members of the ASSOCIATION or any committee thereof may be taken without a meeting, if prior to such action a written consent thereto is signed by all members or all the members of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the ASSOCIATION or committee.

2.9. Adjourned Meetings. Any meeting of the ASSOCIATION may be adjourned from time to time to such date and time as may be determined by majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

2.10. The Order of Business at the annual member's meetings and, as far as practical, at all other members' meetings, shall be:

- (a) Call to order;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Election of Directors;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

2.11. Cumulative voting shall not be permitted at any meeting of the owners.

MSC. 48-1563

2.12. Proviso. Thusly provided, however, that until the DEVELOPER has completed and sold all of the units of Phase I of the condominium or until January 31, 1988, or until the DEVELOPER elects to terminate its control of the condominium whichever shall first occur, there shall be no meeting of members of the ASSOCIATION unless a meeting is called by the Board of Directors; and provided further, that in the event the DEVELOPER, pursuant to Paragraph 6 of the Declaration of Condominium files an amendment or amendments to the Declaration of Condominium submitting to the provisions thereof any or all of the property described on Exhibit "C" attached to the Declaration as Phase II, or subsequent phases of SUMMER HOUSE, on Romar Beach, a condominium, then, in the case of each such amendment, from the time of the filing of such amendment until the DEVELOPER has completed and sold seventy-five (75) percent of the aggregate number of the units, or until January 31, 1990, or until the DEVELOPER elects to terminate his control of the condominium, whichever shall first occur, there shall be no meeting of the members of the ASSOCIATION unless a meeting is called by the Board of Directors.

3. BOARD OF DIRECTORS.

3.1. Membership. The affairs of the ASSOCIATION shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than nine (9), as shall, from time to time, be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the members. Each Director shall be an owner of a unit, except as provided in Subparagraph 3.2(d) below.

3.2. Election of Directors shall be conducted in the following manner:

(a) Directors shall be elected at the annual meeting of the members of the ASSOCIATION; provided that not more than five (5) Directors may reside in any one (1) building.

(b) Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the ASSOCIATION at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the ASSOCIATION in the same manner as was provided for the election of the removed Director.

(d) Anything hereunto the contrary notwithstanding, however, until the DEVELOPER has completed and sold all of the units in Phase I of the condominium or until January 31, 1988, or until DEVELOPER elects to terminate his control of the condominium, whichever shall first occur, all Directors shall be designated by the DEVELOPER and need not be owners of units in the condominium; and, provided further, that in the event the

DEVELOPER, pursuant to Paragraph 6 of the Declaration of Condominium files an amendment or amendments to the Declaration of Condominium submitting to the provisions thereof, any or all of the property described in Exhibit "C" attached to the Declaration as Phase II or subsequent phases, of SUMMER HOUSE, on Romar Beach, a condominium, then, in the case of each such amendment, from the time of the filing of such amendment until the DEVELOPER has completed and sold seventy-five (75) percent of the aggregate number of the units, or until January 31, 1990, or until the DEVELOPER elects to terminate his control of the condominium, whichever shall first occur, the DEVELOPER shall have the right, but not the obligation, to designate a majority of the Directors and such Directors as may be so designated need not be owners of the units in the condominium.

3.3. The Term of each Director's services shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4. The Organization Meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

3.5. Regular Meetings of the Board of Directors may be held at such time and place as shall be determined, from time time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

3.6. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

3.7. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

3.8. A Quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or by these Bylaws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by

signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

3.9. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

3.10. Directors shall serve without compensation, and a Director may not be an employee of the ASSOCIATION.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. The Board of Directors, for the benefit of the owners, shall have the following powers and duties:

4.1. To exercise all of the powers of the ASSOCIATION with respect to the operation and regulation of the condominium project which are conferred upon the Board by the CONDOMINIUM OWNERSHIP ACT or which may be conferred upon the Board by these Bylaws pursuant to such Act, and to exercise all of the powers of the ASSOCIATION which are conferred upon it by law and by its Articles of Incorporation.

4.2. To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board.

4.3. To provide or cause to be provided all goods and services required by the Bylaws or by law, or which the Board, in its discretion, deems necessary for the proper operation of the condominium project, or which are used in common or jointly by the common elements and condominium units, in each case to the extent such goods and services shall not be otherwise provided.

4.4. To collect monthly assessments from the owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any owner.

4.5. To maintain a class action, and to settle a cause of action, on behalf of the owners with reference to the common elements, the roof and structural components of a building or other improvements, and mechanical, electrical and plumbing elements serving any improvements or a building, as distinguished from mechanical elements serving only a unit; and to bring an action, and to settle the same, on behalf of two (2) or more of the owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one (1) condominium unit; all as the Board deems advisable.

4.6. To elect the officers of the ASSOCIATION and otherwise exercise the powers regarding Officers of the ASSOCIATION as set forth in these Bylaws.

4.7. To determine who shall be authorized to make and sign all instruments on behalf of the ASSOCIATION and the Board.

4.8. To employ a management agent or manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this Section; and such duties so conferred upon the managing agent or manager by the Board of Directors may at any moment be revoked,

modified or amplified by the majority of the votes in a duly constituted meeting.

4.9. To designate and remove personnel necessary for the maintenance, repair and replacement of the common elements.

4.10. To procure such property and other insurance of all kinds and such fidelity bonds as the Board deems advisable covering officers and employees of the ASSOCIATION handling and responsible for the ASSOCIATION'S funds and personal property, and to procure Directors' and officers' liability insurance if the Board deems it advisable; and the premiums of such bonds and insurance shall be paid by the ASSOCIATION as common expenses.

4.11. To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the condominium project, including the common elements, and to amend such administrative rules and regulations from time to time as the Board deems advisable.

4.12. To designate, by resolution passed by a majority of the whole Board, one (1) or more committees to consist of two (2) or more of the Directors. Any such committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation, except where action of the full Board of Directors is required by law, the Articles of Incorporation, the Declaration or the Bylaws.

4.13. To designate, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, or by the President thereunto duly authorized by a like resolution of the Board of Directors, other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Corporation. Membership on such committees may, but need not be limited to Directors or members of the ASSOCIATION.

4.14. All committees so appointed shall keep regular minutes of the transactions of their meetings, and shall cause them to be recorded in books kept for that purpose in the office of the ASSOCIATION, and shall report the same to the Board of Directors at the next meeting of such Board.

5. OFFICERS.

5.1. The Executive Officers of the ASSOCIATION shall be a President, who shall be a Director; a Vice-President, who shall be a Director; a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.

5.2. The President shall be the Chief Executive Officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of president of an association.

5.3. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.4. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notice to the members and Directors and other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association as may be required by the Directors or the President.

5.5. The Treasurer shall have custody of all property of the ASSOCIATION, including funds, securities, and evidences of indebtedness. He shall keep the financial records and books of account of the ASSOCIATION in accordance with good accounting practices; he shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred; and he shall perform all other duties incident to ~~the office of Treasurer~~. The records, books of account, and the vouchers authorizing payments, shall be available for examination by any member of the ASSOCIATION at convenient hours of week days.

6. FISCAL MANAGEMENT.

6.1. Budget. The Board of Directors shall determine the common expenses of the ASSOCIATION and adopt a budget for each calendar year of such estimated common expenses, including a reasonable allowance for contingencies and reserves less the unneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member on or before December the 15th preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member. Delivery of a copy of the budget to each owner shall not affect the liability of any owner for any existing or future assessments.

6.2. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance, on or before December the 15th preceding the year for which the assessments are made. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such Maintenance Fund Reserve may from time to time be increased or reduced at the discretion of the Board. The proportionate interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the CONDOMINIUM OWNERSHIP ACT, any part of the said Fund remaining after full payment of all common expenses of the ASSOCIATION shall be distributed to all unit owners in their respective proportionate shares. Such assessments shall be due in monthly installments on the 1st day of each month of

the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount last required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall not be more than one hundred twenty (120) percent of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approved in writing by unit owners entitled to cast a majority of the votes in the ASSOCIATION, and the amended assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the ASSOCIATION.

6.3. Assessments for Capital Improvements. Upon written notice to all the unit owners and upon approval in writing by unit owners entitled to cast a majority of the votes in the ASSOCIATION, the Board may establish and maintain one (1) or more capital reserve accounts, by the assessment of and payment by all the unit owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount, for such term of years as the Board may estimate as needed to cover each unit owner's obligations to provide for specified capital improvements, such as, by way of illustration and not limitation, the purchase of additional property, the paving or repaving of streets and areas, the construction or reconstruction of common elements and the like. Each such capital reserve account shall be earmarked, segregated from other accounts, and designated for the specific capital improvement for which the assessment is made and the funds of each such capital reserve account shall not be commingled with the general assessment funds of the Association but shall be deposited in a special account similarly earmarked and designated. The proportionate interest of each unit owner in each such capital reserve account cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the CONDOMINIUM OWNERSHIP ACT, any part of each such capital reserve account remaining after full payment of all common expenses of the ASSOCIATION shall be distributed to all unit owners in their respective proportionate shares.

6.4. Assessments for Emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefore to the unit owners concerned. After such notice and upon approval in writing of more than one-half (1/2) of such unit owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice thereof in such manner as the Board of Directors of the ASSOCIATION may require.

6.5. Acceleration of Assessment Installments upon Default. If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installments of such assessment upon notice thereof to the unit owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten

(10) days after delivery thereof to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.6. Default.

(a) In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the ASSOCIATION within thirty (30) days from the due date, the ASSOCIATION may foreclose the lien encumbering the unit created by nonpayment of the required monies in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior notice of the intention to foreclose shall be mailed postage prepaid, to the unit owner and to all persons having a mortgage lien or other interest of record in such unit as shown in the ASSOCIATION'S record of ownership. The ASSOCIATION shall be entitled to the appointment of a Receiver, if it so requests. The ASSOCIATION shall have the right to bid in the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In any such foreclosure action the lien of the ASSOCIATION shall be subordinate and inferior to tax liens in favor of the State, County, any municipality and any special district, and any first mortgage liens of record encumbering such unit at the time of the commencement of the foreclosure action by the ASSOCIATION. In lieu of foreclosing its lien, the ASSOCIATION may bring suit to recover a money judgement for any sums, charges or assessments required to be paid to the ASSOCIATION without waiving its lien securing the same. In any action either to foreclose its lien or to recover a money judgement, brought by or on behalf of the ASSOCIATION against a unit owner, the losing defendant shall pay the cost thereof together with a reasonable attorney's fee.

(b) If the ASSOCIATION becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, any and all expenses incurred in the resale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees, abstract or title insurance costs, and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing

REC-49 OF 1573

items of expense shall be returned to the former owner of the unit in question.

6.7. The Depository of the ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors and in which monies of the ASSOCIATION shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

6.8. An Audit of the accounts of the ASSOCIATION shall be made annually by a certified public accountant, not a member of the ASSOCIATION, and a copy of the report shall be furnished to each member not later than March the 1st of the year following the year for which the report is made.

7. OBLIGATIONS OF THE OWNERS.

7.1. Assessments. Every owner of any unit in the condominium shall contribute pro rata toward the expense of administration of the condominium, as provided in the Declaration and in these Bylaws.

7.2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit which if omitted would affect the condominium in its entirety or in a part belonging to other owners, and is expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal or appurtenant installations of the unit such as water, light, power, air conditioning, heat, sewage, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be maintained at the owner's expense.

(c) An owner shall reimburse the ASSOCIATION for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his fault.

7.3. Use of Units. Every owner shall comply strictly with the provision of the Act, the Declaration, the Bylaws and the Rules. In the event of the failure of any owner to do so, the ASSOCIATION may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

7.4. Right of Entry. The manager and any person authorized by the Board of Directors shall have the right to enter into each unit in case of an emergency originating in or threatening such unit whether or not the owner or occupant is present at the time. Every unit owner and occupant, when so required, shall permit other unit owners or their representative to enter his unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services, provided that requests for

entry are made in advance.

7.5. Title. Every unit owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Baldwin County, Alabama, the deed or other conveyance to him of his unit or other evidence of his title thereto and file such evidence of his title with the ASSOCIATION, and the Secretary shall maintain such information in the record of ownership of the ASSOCIATION.

7.6. Mortgages.

(a) Any mortgagee of a unit may file a copy of its mortgage with the ASSOCIATION, and the Secretary shall maintain such information in the record of ownership of the ASSOCIATION. After the filing of the mortgage, the ASSOCIATION shall be required to notify the mortgagee of any unit owner who is in default in the expenses for the administration of the condominium and the mortgagee at its option may pay the delinquent expenses; and the holder of every such mortgage requesting the same shall be entitled to written notification from the ASSOCIATION of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within thirty (30) days.

(b) Unless all holders of first mortgage liens on units have given their prior written approval, the ASSOCIATION shall not be entitled to:

(i) Change the pro rata interest or obligation of any unit for the purposes of levying assessments and charges, and determining shares of undivided interest in the common elements and proceeds of the project;

(ii) Partition or subdivide any unit or the common elements of the project;

(iii) By act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial destruction, deterioration or obsolescence to the units and condominium project.

7.7. Miscellaneous Records and such other records as are required by the Declaration or these Bylaws or as may be deemed necessary by the Board of Directors shall be maintained by the ASSOCIATION.

8. AGENT TO RECEIVE SERVICE OF PROCESS. The following person, who is a resident of the State of Alabama, is desig-

nated as agent to receive service of process upon the ASSOCIATION:

T. E. MITCHELL

Post Office Box 397
Bay Minette, AL 36507

9. PARLIAMENTARY RULES. Roberts Rules of Order (latest edition) shall govern the conduct of the ASSOCIATION meetings when not in conflict with the CONDOMINIUM OWNERSHIP ACT, Declaration of Condominium, or these Bylaws.

10. AMENDMENTS. These Bylaws may be amended by following the provisions of Paragraph 19 of the Declaration of Condominium, subject, however, to the DEVELOPER'S rights under Paragraph 20 thereof.

The foregoing were adopted as the Bylaws of SUMMER HOUSE, on Romar Beach, ASSOCIATION, INC. at the first meeting of the Board of Directors on the 14th day of MARCH, 1984.

SUMMER HOUSE, on Romar Beach,
ASSOCIATION, INC.

BY:

Sylvia M. Saranthu
SECRETARY

Approved:

[Signature]
PRESIDENT

THIS INSTRUMENT PREPARED BY:

ROBERT A. WILLS
Attorney at Law
P. O. Box 547
Bay Minette, AL 36507

MSL 48 SEP 1979